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NATION'S BUSINESS

October

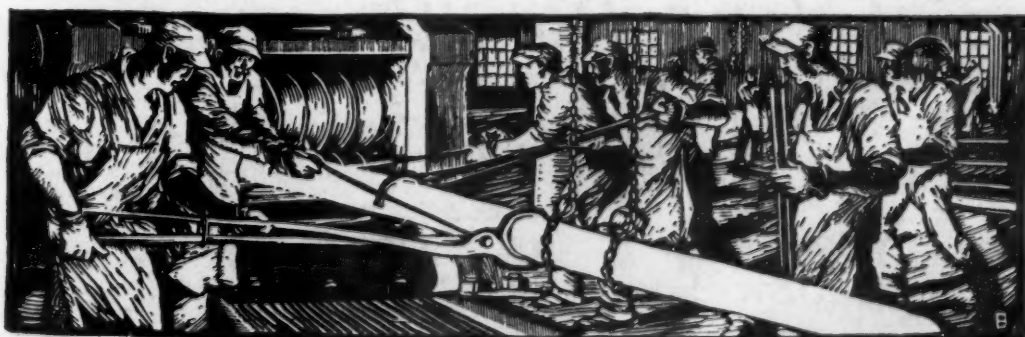
**What Comes After the
Competition?** by O.H.Cheney

***Why Our Factories Cross the
Border*** by Floyd S. Chalmers 340

**An Army Fights to Fill Your
Gas Tank** by William Boyd Craig

***The City is the Business of
Business*** by Chester Leasure

Map of Nation's Business, Page 52



Published at Washington by the Chamber of Commerce of the United States
A QUARTER OF A MILLION CIRCULATION

SINCE 1858, THE WORLD'S LARGEST MAKERS OF QUALITY BAGS

"..it must be dry."

Calcium Chloride is a moisture absorbent, widely used as a dust preventive, road binder and concrete accelerator. It must be kept absolutely dry until the moment it is applied.



Dowflake Calcium Chloride is shipped in both carload and less-than-carload lots to points in the United States and Canada... Any package we use must be decidedly waterproof to prevent liquifying in transit... The conditions to which we subject our packages are very severe, but we have found Bemis Waterproof Bags satisfactory in every respect."

—Dow Chemical Co.

SEVERAL years ago the Dow Chemical Co. were seeking a satisfactory shipping container for Calcium Chloride; a container which would be easy to handle, economical and, above all, absolutely moisture proof. The Bemis Technical Staff, co-operating with engineers of the Dow Chemical Co. produced the bag shown at the left. It was a distinct success, lowering shipping costs and eliminating losses from damage.

Every year more shippers are adopting bags, especially designed to carry their products with the utmost safety, convenience and economy. They have found that bags offer substantial savings—savings in freight, storage space and handling costs that are really worth while.

If savings of this kind are of interest to you, the Bemis Technical Staff will be glad to make a study of your product. They will tell you quickly and without charge whether bags can be used to your advantage and profit.

BEMIS BRO. BAG CO. Address: Gen'l Sales Offices, ST. LOUIS, U.S.A

Bag Factories

ST. LOUIS
MINNEAPOLIS
OMAHA
NEW ORLEANS
SAN FRANCISCO
INDIANAPOLIS
MEMPHIS
KANSAS CITY
SEATTLE
WINNIPEG
HOUSTON
BROOKLYN
BUFFALO
WICHITA
WARE SHOALS, S.C.

Cotton Mills

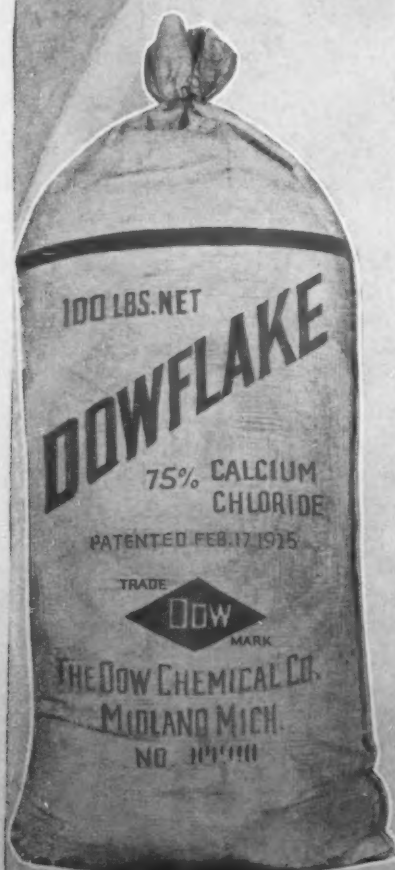
ST. LOUIS
INDIANAPOLIS
BEMIS, TENN.

Bleachery

INDIANAPOLIS

Paper Mill

PEORIA



**BEMIS
BAGS**



COTTON ~ BURLAP ~ PAPER ~ PRINTED OR PLAIN

October



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PARADOXES in a month's news: Nicholas Murray Butler sees Europeans cut off by tariff walls . . . and a London clerk swims the Channel in 14 hours 29 minutes.

A billion-dollar gain in crops is forecast for American farmers . . . and the Prince of Wales electrifies his farm near Nottingham.

New England is spending \$500,000 to advertise recreation advantages . . . and Coney Island bars snapshots on boardwalks.

A hobby is the best antidote for worry, assures a New York health officer . . . and Cambodia's king, with one hundred wives, attains age of 87.

City dwellers cannot know God, declares the Rev. John Muyskens . . . and free rides to church are offered by Red Bank, N. J., taxi owner.

The United States and Great Britain will free property seized during the war . . . and Professor Lingelbach, University of Pennsylvania, says America has developed a "creditor mind."

The Postal Telegraph plans radio to link the Philippines with the United States . . . and a Stockholm student makes "round-the-world" tour on his bicycle.

Official red tape defeats flood relief move . . . and the Ohio River changes its course to move boundary between Illinois and Kentucky.

Oil refining course now leads to a degree at Pittsburgh University . . . and the Standard Oil Company of New Jersey plans wide division into smaller companies.

Business men, more than battleships, will preserve peace, says Roy D. Chapin . . . and Washington newspaper men elect Will Rogers "Congressman-at-Large."

London ice-cream vendors pray for hot weather . . . and torrid wave blankets eastern United States.

New American Bible tells Eve's first sin in modern language . . . and rubber sea horses and crocodiles appear on beaches.

Joe Powers sits atop Chicago flagpole for sixteen days . . . and thousands rush to see moon blot out the sun in Britain.

Rockefeller Institute is to sift health-belt ads . . . and a cafeteria appoints a hostess to ease customers' troubles.

John McGraw celebrates his twenty-fifth year as manager of the New York Giants . . . and a bill is drafted to price ball-park seats for children at 25 cents.

Kellogg demands naval parity with Britain . . . and rubber heels help to put the Army on a peace-time footing.

PERHAPS no article we have published since "The New Competition" has brought the pro and con as did Alexander Brown's "Prosperity but No Profits." From every quarter came comment, some enthusiastically approving, some ardently disapproving. Mr. Brown said, you will

Table of Contents

TO ANY MAVERICK OR THROWBACK.....	MERLE THORPE	13
THE ANSWER TO THE NEW COMPETITION.....	O. H. CHENEY	15
Cartoon by Nelson Harding		
AN ARMY FIGHTS TO FILL YOUR GAS TANK....	WILLIAM BOYD CRAIG	18
BACK OF TODAY'S "Ad".....	HOWARD H. BOYCE	21
YESTERDAY'S RACES MADE TODAY'S CAR.....	CHRIS BATCHELDER	24
The second article of a series on the automobile industry		
THE CITY'S THE BUSINESS OF BUSINESS.....	CHESTER LEASURE	26
TAKING THE LOAD OFF MAN'S BACK—PHOTOGRAPHS.....		28
EDITORIALS.....		30
WHY OUR FACTORIES CROSS THE BORDER.....	FLOYD S. CHALMERS	32
WHAT GUNBOATS MEAN TO CHINA.....	MASON LEE	35
Illustrations by Gordon Grant		
WHAT ARE FAIR POSTAGE PRICES?.....	ROBERT L. BARNES	40
PRICE, THE VITAL PART OF BARGAINING.....	PERCIVAL WHITE	44
Cartoons by Stuart Hay		
THE COAL STRIKE TO THE FRONT.....		48
THE MAP OF THE NATION'S BUSINESS.....	FRANK GREENE	52
LITTLE AND NOTHING.....		56
WHAT OF THE ST. LAWRENCE?.....	HUGH J. HUGHES	66
RAILS SPREAD OVER AFRICA.....	EDSON RICH	72
A MID-PACIFIC MEETING.....	A. E. BIXBY	76
WHAT THE WORLD OF FINANCE TALKS OF.....	M. S. RUKEYSER	82
THE SAGA OF JOSHUA CANN.....	H. F. CAMPBELL	89
A MACHINERY MERGER THAT WORKED.....	R. W. GORDON	90
PUBLIC SERVICE IN RETAILING.....	DAVID LAMPE	95
A UNIQUE WESTERN BUYING GROUP.....	RUEL MCDANIEL	100
BUREAUCRACY'S TONGUE.....		104
EUROPEAN TRADE BRIGHTENING.....	JULIUS KLEIN	106
LIFE OF A PIONEER MERCHANT—VI.....	HERBERT ADAMS GIBBONS	110
FARM MACHINERY AND PROFITS.....	F. B. NICHOLS	114
MAKING BUSINESS CALLS IN JAPAN.....	MELLEN CHAMBERLAIN	117
RECENT FEDERAL TRADE CASES.....		120
TREASURES FROM TRADE PAPERS.....	ETHEL CLELAND	124
CHIPS FROM THE EDITOR'S WORK BENCH.....	R. C. WILLOUGHBY	126
BUSINESS VIEWS IN REVIEW.....	ROBERT L. BARNES	128
NEWS OF ORGANIZED BUSINESS.....		134
ON THE BUSINESS BOOKSHELF.....		140
HUMAN NATURE IN BUSINESS.....	FRED C. KELLY	142

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NATION'S BUSINESS

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Meeting the Growing Needs of Business

TO KEEP PACE with the rapid expansion of industry, business requires ever greater and more comprehensive banking facilities.

These larger requirements are adequately met by the American Exchange Irving Trust Company. The following comments recently were received by our Out-of-Town Office:

"The service you are giving us is very complete and satisfactory. It leaves nothing to be desired."

"The handling of our account with you is and always has been entirely satisfactory."

The Out-of-Town Office, a complete banking unit devoted solely to serving customers outside of New York City, assures prompt and careful attention to details of service and the intelligent handling of transactions.

OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

Woolworth Building, New York

recall, that there are purchasing profiteers who are just as bad for honest business as selling profiteers.

"The duty of a purchasing department," writes one subscriber, "is to take every advantage of the market and buy as cheaply as possible. This in the interest of his customers, the public." Every advantage?

If our proposal to a well-known business man is accepted, we shall furnish our readers a second chapter to the question which we predict will be equally interesting.

SECOND in interest, judging by the comments by letter, by reprints ordered, and by republication in other journals, was "Candy, A Billion Dollar Muddle," by our own staff member, Mr. Craig. An important manufacturer in the candy industry writes that the article "is of great moment to the country" and "no doubt will be of great benefit to the trade in general." He goes on:

It is the most intelligent presentation of the candy situation written by an outsider that I have ever seen. The writer has developed a complete understanding of the situation. Articles of this kind perform a real service to the industry concerned and stimulate both manufacturers and distributors to work out a solution of their problems.

But, says another manufacturer, no less prominent, writing to us:

We feel like giving Mr. Craig an asbestos lollypop, which is the only kind that could be eaten comfortably in the place where he thinks the candy business is going.

THE Council of Librarians which selects each month the ten outstanding magazine articles has picked another NATION'S BUSINESS article, the second in four months. This information is sent out to libraries throughout the country, with a poster to be hung up in the library rooms. The article chosen from the available thousands was Henry H. Curran's "The Black Shadow of the Skyscraper." The previous article was Edward A. Filene's "Mass Retailing Here—and to Stay." Both were broadcast over a number of stations.

WE APPRECIATE the compliment implied in the wide range of subjects covered in requests from our subscribers. Note the variety in our mail:

Information on dairy and creamery, and ice cream industry.

Information regarding standardization of bedsteads.

List of bus, truck, funeral car and ambulance registrations each month.

Which American electrical company has contract with Russian government on Black Sea and Crimea.

Information about employe participation in industrial enterprises.

Facts about market for wooden chicken crates.

Information regarding chain stores.

Suggestions for "life work."

Names of companies handling woolsens.

Details of Will Hays' campaign which raised fifteen million dollars for disabled Presbyterian ministers.

How many laws on statute books of United States today.

Classified list of industrial products.

Statistics on waste developed by personnel turnover.

Then the door closes AUTOMATICALLY

International Fire
Prevention Week

OCT. 9 to 15

FAHRENHEIT

160
DEGREES

140

130

120

110

100

90

80

70

60

50

40

30

20

10

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10

20

Certain protection—

As soon as the temperature reaches 160 degrees your FyeR-Wall doors close tight—*automatically*.

They're made of heavy corrugated galvanized steel sheets with thick sheet-asbestos between. They're guaranteed for 25 years. There's no upkeep cost and they save 15% to 25% of your yearly insurance premiums.

There is a type of FyeR-Wall door fitted with R-W automatic hardware, to meet every condition. And they cost no more than tin-clad doors!

FyeR-Wall doors and automatic hardware carry the label of the Underwriters Laboratories. They protect life and property. Prevent spread of fires.

Send for catalog of complete line.

Richards-Wilcox Mfg. Co.

A Hanger for any Door that Slides

New York • • • AURORA, ILLINOIS, U.S.A. • • • Chicago
Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines
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Concrete Bearings!

WHEN you think of your concrete floors as bearings upon which your business machinery revolves—bearings which year after year must bear the brunt of grinding friction—smashing blows—enormous overloads—you realize the vital importance of having your floors built as bearings are built. Special materials, thoroughly tested, properly made, each specified with a knowledge of the particular type of traffic it must carry—this is the Masterbuilt method of building concrete floors.

Floors, unlike other bearings, are not easily replaced. Consequently it is vital that they be built right in the beginning.

Masterbuilt Floors, as installed for thousands of important firms during the past 17 years are an actual visual proof of the fact that when you specify Masterbuilt Materials and Masterbuilt Methods you are buying trouble-free, wear-resisting, dust-proof floors that you can forget for years and years to come.

THE MASTER BUILDERS COMPANY
Sales Offices Cleveland, Ohio Factories at Cleveland
In One Hundred Cities and Irvington, N. J.

Masterbuilt Floors

HARDENED DUST-PROOF CONCRETE

When writing to THE MASTER BUILDERS COMPANY please mention Nation's Business

One million square feet of Masterbuilt Floors were laid in 1917 in Western Warehousing Company's Pennsylvania Railroad Freight Terminal, Chicago, Ill. In spite of continuous heavy traffic the Western Warehousing Company reports that after 10 years service—"We have spent no money in maintaining these floors during this 10 year period."

For Your Job

To insure your getting the proper floor for your specific requirements, and to insure perfect results, specialists skilled in the installation of Masterbuilt Floors are available. Write for detailed information and "The Book of Masterbuilt Floors."

Publishers of German-English dictionaries. Associations interested in standardization of wooden reels for wire rope.

If we did not have at hand, in fact, if we were not in the middle of the United States Chamber of Commerce with its staff of experts, always sympathetic to the needs of American business, we would be swamped as well as stumped on occasion. It isn't a one-sided service—the queries keep our editorial wits sharpened and our editorial sights adjusted.

OUR erstwhile editorial colleague, Mr. Henry Ford, of Detroit, makes himself a worthy candidate for membership in our Fewer Laws Club by the publication of the following in full-page display in one of the last numbers of his *Dearborn Independent*:

PEOPLE WHO BEGIN BY SURRENDERING THEIR DUTIES TO A GOVERNMENT END BY BEING COMPELLED TO SURRENDER THEIR RIGHTS. THE AMERICAN NATION HAS KEPT ITS RIGHTS BY ATTENDING TO ITS DUTIES. BUT FASHIONS CHANGE. IT IS A BAD HABIT TO RUN TO WASHINGTON FOR EVERYTHING, JUST AS IT WILL BE A BAD CONDITION IF EVER WASHINGTON COMES TO RUN EVERYTHING.

"DID HIGH freight rates bring about the discovery of America?"

We recently read a speculative story advancing the idea that the Turk capture of Constantinople in the fifteenth century closed the Asian trade routes of the Mediterranean commercial adventurers.

The Turk appreciation of "the law of mine and thine" left something to be desired. When the Sultan's janizaries came into possession of old Byzantium they levied heavy bandit toll on trader caravans—much more than the traffic could bear. Hence the high freight rates. Hence, the hunt for a new route. Hence America.

All of which supports the view that the influence of economics and trade on history was far more determinative than campaigns of conquerors or speeches of spellbinders.

I RUBBED my specs when I read this London cable:

LONDON (Special Cable).—Philip Snowden, Chancellor of the Exchequer in the Labor Government, used the experience of the United States with large combinations of capital to support his argument in favor of trusts in an address before the London members of the Institute of Chartered Accountants today.

Mr. Snowden said whatever obstacles are placed in their path, amalgamations will continue becoming not merely national but international in character. This tendency, he went on, was generally advantageous inasmuch as the development of international trusts was "a great instrument for the preservation of world peace." Trade unions, he said, were learning that large combinations were easier to deal with.

A FRENCH serving-wench in a country inn stifled an exclamation of surprise when she saw the Seigneur, palpably in disguise, enter the inn—and Marquis de Lafayette was enabled to evade the order of his king and go aboard ship and sail for America to tender his sword to Washington. Thereby, later, came French recogni-

tion and aid for the patriot cause in America.

A Confederate general wrapped his cigars in his copy of General Lee's order detailing the positions to be taken by his brigades and regiments in the valleys between Boonsboro and Sharpsburg, Maryland. Later, he cast the paper aside as worthless. A Yankee soldier from Indiana found it, carried it to McClellan, and Lee was defeated at Antietam, and European recognition of the Confederacy was lost.

Little delinquencies; little neglects—and little courtesies; little "pinch hits." From them great disasters or great successes in business as well as in life often grow.

WE GOT quite a kick out of the Government announcement that "beginning with October 1, nuts will be allowed to enter U. S. ports only after examination, and, if necessary, disinfection," until we found it applied only to chestnuts and walnuts.

A FRANK and far-seeing spirit shone in the words spoken by Owen D. Young at the dedication of the new buildings provided for the Harvard School of Business Administration. He gave it as his belief that no man is wholly free until he is both politically and economically free, and it is the responsibility of business, he said, to present the opportunity for all men to be economically free.

For the old feeling that capital takes all the risks he had specific rejection. At this day, he said,

we are trying to think in terms of human beings. One group of human beings who put their capital in, and one group who put their lives and labor in a common enterprise for mutual advantage.

In the progress signified by this sort of thinking we are learning more and more about "capital" and "capitalists." No relation to the bulbous and bloated creature of the cartoonist is borne by the investor in the flesh. These Americans of substance include

the lean school teacher, the small merchant, the carpenter, the blacksmith, who are trying to conserve and increase their surplus earnings as a guaranty fund against disaster. Or, if it be not them directly, then it is most likely to be the insurance company and the savings bank which is investing the savings of millions of our people of all classes in the capital of widely diversified concerns.

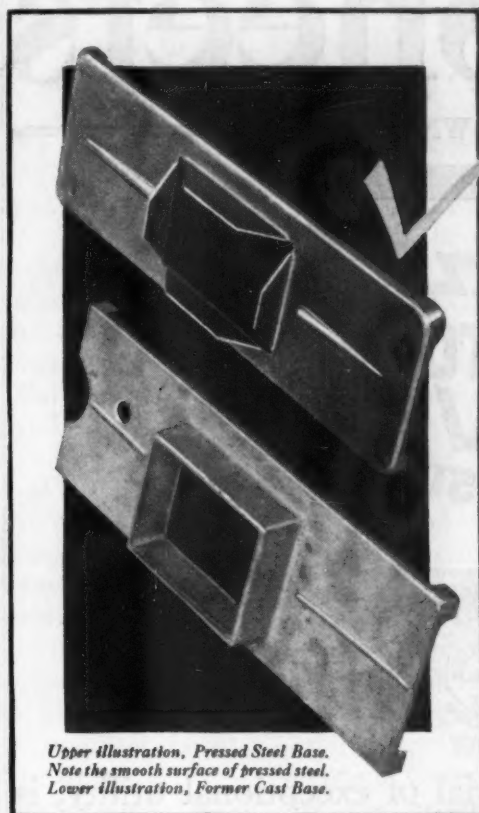
Far off and elusive as may be fulfillment of Mr. Young's high hope, it is none the less heartening that so able a manager can see industrial relations soundly humanized, as well as rationalized. It is a noble and compelling prospect to which he gives invitation, with saying

I hope the day may come when these great business organizations will truly belong to the men who are giving their lives and their efforts to them. I care not in what capacity. Then they will use capital truly as a tool and they will be all interested in working it to the highest economic advantage. Then an idle machine will mean to every man in the plant who sees it an unproductive charge against himself.

To define that vision as an objective for his countrymen is a useful public service,

Check these Savings

with
Pressed Steel



*Decreased Weight
Increased Strength
No Machining
Faster Assembly
Greater Uniformity
Smoother Finish*

25 to 50% Cost Savings

A manufacturer of hospital equipment produced a sterilizer which had a cast base small in size but high in cost. The walls were thin—breakage was a problem—and a smooth surface for finishing an important factor.

But the benefits which pressed steel can make are just as effective in small parts as in large ones. The cast base was redeveloped into pressed steel by our engineers and the *weight reduced 61%*. More than this, the pressed base *will not break* under any circumstances, has a smooth surface for finishing, and actually costs less than the former casting.

Look Over Your List of Cast Parts Right Now!

Perhaps you are getting castings at rock-bottom prices. But are you *sure* that there are not *further* savings possible through *pressed steel*? Send us a blueprint or sample of any casting you now use, or better yet, ask one of our redevelopment engineers to call. Let us tell you exactly how much pressed steel will save and what other benefits this lighter, stronger, less expensive material will make for you.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
Philadelphia, 1314 Franklin Trust Bldg. Chicago, 500 Wrigley Bldg.

"Pioneers in Pressed Steel Redevelopment"



Industrial Pressed Steel Parts

Free Book—tells how many other manufacturers have cut costs and improved their product with Pressed Steel parts. Send the coupon for your copy.

"Press It
From
Steel
Instead"



THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
Please send me a free copy of "Adventures in Redesign."

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Apollo and Apollo-Keystone Copper Steel GALVANIZED SHEETS

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For machinery construction and parts—automobiles and trucks, powerful tractors, threshers, harvester combines, implements for the agricultural and the industrial fields; and for lines of remanufacture and general building construction, this Company is the leading maker of Black and

Galvanized Sheets, Special Sheets, Tin and Terne Plates for every known use. Where resistance to rust is important, as for roofing, siding, spouting, culverts, flumes, tanks and similar uses, insist upon Keystone rust-resisting Copper Steel. Sold by leading metal merchants. Write for FACTS booklet.

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High Grade Steel Sheets and Tin Plates for every requirement

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 Pacific Coast Representatives: United States Steel Products Company, San Francisco, Los Angeles, Portland, Seattle, Honolulu

When writing to AMERICAN SHEET and TIN PLATE COMPANY please mention Nation's Business

but more distinguishing, his present concern to apply its revelations marks him both professor and practitioner of the humanities.

WHEN an executive returns from a vacation and finds that things have gone along better even than usual it fills him with mixed emotions. He is proud of his organization and rejoices in the accomplishment of its members, who have merited added responsibilities. But he wonders if, maybe, he might not just as well fade out of the picture and let the organization run itself.

Consider the case of the editor and publisher of this monthly leader of industrial light and progress. Returning from a glorious month in the Montana mountains, he finds what? Everything at sixes and sevens? Not a bit of it.

He finds in July and August the greatest increase in subscribers the NATION'S BUSINESS has ever had.

He finds that the August number provoked more comment and correspondence than any similar number.

He finds, despite the usual dull summer season for publications, that August was the twenty-seventh consecutive month to show advertising gains.

And no manufacturer, I'm sure, ever had stacked on his desk a finer lot of letters in praise and commendation of his product than the editor of NATION'S BUSINESS found on his desk upon his return. Even when a subscriber saw fit to offer chastisement for some editorial mis-step it seemed his letter was written more in sorrow than in anger.

So this is a public acknowledgment of the loyalty and ability of as fine a group of men and women ever gathered together to do what is at most an intricate manufacturing and editorial job.

And if this appreciation prompts some other executive, just back from vacation in the Montana mountains or elsewhere, to hesitate a moment in the hurly burly of return long enough to remember those who carried on in his absence, it will do double duty.

SPEAKING of Montana and fishing, here is a story on worm bait which is not only timely but good. A native fisherman told me, and if any reader doesn't believe it I can show him the lake where the incident occurred.

Two fishermen were having no luck with flies. One suggested that they soak an angle worm in whisky and try that. So a fat worm was obtained, put in the bottom of an old can, and some bootleg poured over him. The worm, showing the well-known signs of animation, was impaled on a hook and cast in the lake.

Immediately the once placid lake became violently agitated. Something churned the waters to their depths. The rod bent double and the fisherman in desperation grabbed the line. He tried to pull it in, but his companion had to come to his aid. Together they slowly reeled in, to discover—what do you think? The angle worm had seized a big trout by the throat and was choking it to death!

M.T.

To Any Maverick or Throwback

BY MERLE THORPE

A CORRESPONDENT writes somewhat petulantly that "we are over-organized" and says that "something should be done. . ."

While the rest of the world is gazing with envious eyes at our ability to get things done through teamwork some of us occasionally become discouraged.

Only recently the British sent a commission here to study conditions and to learn why the United States is showing her industrial tail lights to the rest of the world. The members reported, among other things, that they were amazed to find how American business men work together in communities and trade associations, "pooling their resources, exchanging information" on the principle that if a community or trade were prosperous, each unit would share in the prosperity.

A successful Italian industrialist, this summer, was discussing Europe's grave problems, when he stopped short to exclaim, "If we in Europe could only learn to pull together as you do!" He added, rather sadly, I thought, "We lack your genius for organization."

We have a distinct flair for teamwork. It is born and bred in our bones. "Appoint a committee." "Organize teams." "All together, and we'll put it across!"

We begin in America as kids on a baseball lot.

As is often the case we are apt to take for granted those virtues which are part and parcel of our daily lives. There are many who profit from the work of their organizations, yet who glibly disavow any interest in group endeavor. Their disinterest ranges from apathy to antipathy. They "haven't time," or they "make a contribution," or declare that they'll have nothing to do with an organization "which is run by a clique."

They are the unwitting economic "throwbacks," freaks who have

sloughed off generations of development and reverted to form. They become selfish members of a community or trade, suspicious of each other, as it was in the beginning of things.

Such men lose materially and spiritually. A New York banker said recently: "The time is coming when a bank's committee will ask of the applicant of a loan, 'Is he a member of his trade association?'" In other words, is he going it alone, trying to meet this intensive age without the help of his partners in industry?

Set this down as gospel: *The work of the world today is being done by groups.* Certain wastes are group wastes and can be only eliminated by a group program and group action. Questionable trade practices, once accepted in pioneering times, can be dealt with best by the groups involved. The "new competition" has pitted industry against industry, community against community.

The individual, no matter how strong as an individual, is weak without the strength of his group. And the beauty of American organization is that individuality is stimulated, not suppressed. If anyone doubts this let him announce to the members of the automobile manufacturers association that he is in the market for a car.

Roosevelt declared truly that every man owes something to his trade or profession—not a dole in the form of dues, but his best thought and inspiration. And Kipling, about the same time, viewing us and his own people with the eyes of a seer and prophet, remarked that the hope of the nation lay in "the everlasting teamwork of every bloomin' soul."

Mavericks in business are picturesque but abnormal. Biologists classify throwbacks as freaks.

In this world of modern business with its complexities no man can stand alone.



Complete new plant of Johnson Motor Company, Mfrs. of out-board motors for boats.
Now under Austin design and construction at Waukegan, Ill.

How Austin Can Help Quantity-Production Manufacturers

ARE you manufacturing on a quantity-production basis?
Are you getting maximum use of your floor space? Have you all the day-light and ventilation you should and can have?

Are you making the utmost use of mechanical conveying systems—of large, new, fast-operating machines?

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The Answer to the New Competition

Big mergers and more active trade associations seem to be answers—but what will the Government do?

EVER since the publication of "The New Competition" in the NATION'S BUSINESS in June of last year, I have been besieged by the question, "What's the answer to the new competition?" The question has been boomed at me like a challenge across trade association convention halls, and it has been whispered in corners by men who buttonholed me as if they were asking for an inside tip on the stock market.

What is the answer to the new competition? I don't know—because there is no answer. There are many answers, because the questions in the new competition would make all the question books put together look like what we used to call in school a simple declarative sentence. And I don't know all the answers because I don't even know all the questions.

* * *

THE trouble with the answer to the new competition is that there is no magic word—it is not even a trick to be learned, like pulling rabbits out of a hat or spending a million dollars in advertising. The new competition demands of different businesses and different industries different answers, but of all it demands the best that is in them. These demands are not vague; they seem to be only because we do not try to understand them enough. The challenge of the new competition is just as violent, proportionately, to the big business as to the small, and few of the big ones appear to be really aware and effectual. The challenge comes to the basic, staple industry as to the luxury, novelty industry—to steel as well as to suspenders, to food as well as to ostrich plumes. It is a challenge not only to industry but to the nation itself and to its government.

But we must not become fascinated by the broad spectacular sweep of the new competition. We must, of course, study as much of it as we can see in order to understand it. But, also, to each one of us the new competition comes right where he lives and knocks at the door. The demands of the new competition are insistent and pretty intimate, and if we face them they come right down to the heart of our business lives.

No business man can escape the answers to these demands any more than he can escape life as long as he continues to live. He cannot es-

By O. H. CHENEY

Vice-President, American Exchange Irving Trust Company, New York

Cartoon by Nelson Harding

cape the questions of the new competition because they will answer themselves, and the answers may be not the kind he wants if he takes no hand in them. How much a business man can win in the new competition depends on

the hard work and courage with which he faces these four questions, the most vital ones of the new competition:

In what ways is my business practice out of line with the best interests of my industry as a whole?

In what ways are the prevailing business practices in the industry out of line with its own best interests and with the public interest?

How and why are the different branches and factors in the industry working against each other?

What other industries are now, or will be in the future, in active inter-commodity or inter-industrial competition with my industry?

The self-knowledge, the business experience, the sincerity and the sheer courage needed merely to answer these questions, even without "doing something" about them, can only be appreciated by those who have tried. It takes a lot of hard work for a man to be plaintiff and defendant, prosecuting attorney and defense counsel, judge and jury all at the same time; and it is only human that he spare himself, dodge questions, blink facts and look for an easy way out.

* * *

BUT these questions must be answered, all of them, and as honestly as we can. All the failures which have come to those businesses and those industries which have not been successful in meeting the new competition have been

due to attempts to answer one question while dodging another or to not answering them honestly and courageously. The truth, which men and industries are learning from bitter experience every day, is that no business can face the new competition unless it is in order. No industry can face competition from other industries unless its own house is in order, and unless it is producing and distributing as economically and as efficiently as possible and with the minimum of internal friction.

If we must reduce the answer to the new competition to a phrase, it will be "the newer competition," and "the new cooperation." There will always be the new competition—when it gets old it will be replaced by something

IN June of last year, NATION'S BUSINESS published O. H. Cheney's "The New Competition," perhaps the most widely discussed business article of the last few years. It added a new phrase to the dictionary of industry. Now Mr. Cheney, banker and student, points out the paths into which that New Competition inevitably leads



O. H. Cheney

still newer—because the new competition is of the very essence of business; it is the stirring of its very life blood. But as the new competition raises each specific question we shall more and more attempt to answer it with the new cooperation. No individual can meet the challenges of the new competition alone because the new competition is not between individuals.

It is always inspiring to picture this greatest and most prosperous country in human history as having been built up by the spirit of American individualism, by the sturdy self-reliance of the pioneer who went out to conquer the wilderness and the forest primeval with his bare hands. It is a beautiful picture and it is true, but it is beginning to look a little like the portraits in the red plush family album and the snapshots of father in his 1905 automobile.

This is no longer a nation of pioneers but the most intricate system of vast and integrated industries. And even the pioneers had to talk to each other on occasion. We are not a nation of lone Lindberghs; and even Lindbergh did not build his own plane, dig a well for his gasoline, or cut the bread for his sandwiches.

It has become fashionable to raise a supercilious nostril at the pleasant and amiable weakness of the American business man for "joining up" all kinds of organizations. This is not a new habit and it is not a weakness. It is the modern expression of an ancient instinct—the cave-men knew that they had to join to fight the mastodon. And even before the American business man realized there was such a thing as the new competition he began to join up; since he began to sense it he has instinctively turned to his organization for help.

But the modern commercial and trade association must be something more than instinctive and primitive cooperative action. The most important characteristics of associations among savages were the belief in magic and in efficacy of the strong arm. Unfortunately too many trade associations of 1927 sometimes revert to the cave-man which is supposed to lurk in all of us.

Lethargy of Association Members

THE most frequent example of this touching faith of the American business man in magic is the all-too-prevalent feeling that, if he belongs to an association, everything will be all right. Too often an association member feels that, if he has committees, by-laws and a secretary, then the problems of his industry require no further attention from him. A strong association secretary can do a great deal for an industry, but he too frequently is called upon to do it against the most impenetrable indifference and sometimes the active hostility of a large proportion of his membership.

This belief in magic extends to almost every form of association activity—from

the passing of resolutions of protest against the latest development of the new competition to gigantic campaigns for advertising. Cooperative advertising is one of the most potent weapons in meeting the new competition, but it can never be stronger than the membership of the association behind the campaign. After the usual period of committees, bickering about quotas and other delays, the members finally pay their assessments—and forget. Too many of them feel that through the beneficence of some mysterious magic all they have to do is to listen to the ringing of the cash-registers throughout the land. Too many

may finally succeed in approving a code of ethics which is more than a numbered collection of pious wishes or rhetorical outbursts. Too frequently the membership breathes a sigh of relief and decides that all their future sins will now be automatically washed away; that the mere possession of a trade association code of ethics is a substitute for fair dealing; that as long as the Thibetan's prayer-wheel keeps on turning, he can do as he pleases.

There are no magic short-cuts, no easy ways, of meeting the new competition. Trade associations are the most vital single factors in safeguarding the prosperity of an industry and of each business in it through the strife of the new competition, but every member of an association must work ceaselessly for and with his fellow-members. Research, advertising, standardization, merchandising education—all these and the other cooperative activities are essential and powerful weapons for any industry in facing the new competition; but they are many times more powerful if the membership understands and supports them, and they sometimes fail for lack of that understanding and support.

Not the least of the problems of the new competition is that it so often engenders and intensifies unsound practices, and unfair ones. The first hope of an industry therefore lies in the self-regulation of trade practices through its association, with a code of ethics which is lived, not merely printed in two colors on imitation parchment. Association

activity cannot be adequate to meet the new competition unless it serves to bring together all concerned with the industry—not the manufacturers alone, or the wholesalers alone, or the retailers alone. The new competition cuts across old distributing lines, and so must the new cooperation. The sooner every trade association activity becomes integrated into the organized activity of the whole industry, the sooner it will be ready to fight constructively in the new competition. Regardless of inter-distributor competition, every factor within an industry must fight together; and regardless of inter-commodity and inter-industrial competitions, all industries having common interests must understand and help each other.

What of the F. T. C.?

BUT how far can cooperation go—isn't there a Federal Trade Commission? I understand that there is, but, in common with over a hundred million other citizens, including the membership of the Federal Trade Commission, I do not understand very clearly just what are the Commission's powers in regulating cooperation. After thirteen years of regulating business the Commission is now studying the business it is regulating and the regulations it is enforcing. It is only now beginning to realize that about the only way to regulate business effectively is to let it regulate itself by giving the best thought and char-

Our Factories Grow Less

THE NUMBER of factories in the United States—factories, that is, which produce more than \$5,000 in value each year—grows less. Nor does the number of workers grow greater. From 1923 to 1925 a loss of 4.2 per cent in number of factories was reported by the Census, a loss of 4.4 per cent in the number of workers, and a loss of 2.5 per cent in wages.

Yet the value of products goes up. In 1925 it was 4.1 per cent greater than in 1923 and 1.6 per cent above 1919, a year of extraordinary output. Note, too, that horsepower went up in six years by 22 per cent and in two years by 8 per cent.

More output, more power, fewer factories, fewer men. What does it mean? Part of the answer is in Mr. Cheney's article.

Consolidations.

—The Editor.

think that association advertising is a cheap substitute for individual advertising.

Too few realize that cooperative advertising is much newer than individual advertising and that it still bristles with many unsolved problems which require not only expert management but also the active, enthusiastic and intelligent support of every member. At least it demands the member's self-interest in tying up his advertising and merchandising efforts to the cooperative work of the association.

The belief in the inherent right of might is expressed in "strong" aggressive agreements. An association of paper wholesalers on the coast until recently believed that the use of a basic price list would solve all their problems, not realizing that price-fixing in various forms had been tried before and had rarely succeeded in getting by the vigilance of those concerned with the enforcement of anti-trust legislation. An association of wholesale grocers in a middle-western state faced the new competition fearlessly; they decided that only distribution through wholesalers is "legitimate" and proceeded to blacklist as irregular any manufacturer or retailer who did not sell or buy through them. It appears that the Federal Trade Commission was not very sympathetic.

Codes of ethics are frequently another example of primitive religious conceptions among trade association members. After many years of wrangling an association



acter in an industry a chance to come to the top, and to back it up with the police power of the Commission.

But it will take a great deal more than a series of trade practice submittals for various industries to restore public confidence in the present and past activities of the Federal Trade Commission. It will take a great deal more than soothing words from commissioners and "spokesmen," words which have too often proved

soothing only like those used by a dog-catcher.

Only a short while ago Chief Justice McCoy, of the District of Columbia Supreme Court, in answering a petition of the Royal Baking Powder Company against being the victim of a reopened case after the Commission had once dismissed it, found it necessary to warn the Federal Trade Commission that "it is not supposed that it was intended by Congress that in a case

begun by service of a complaint the party proceeded against is to be perpetually subject to the orders of the Commission and to being called upon to defend from time to time, and whenever the Commission may see fit to order rehearings after a decision favorable to the party and a dismissal. It is hardly necessary to point out that a business could scarcely prosper if subjected to that sort of thing."

(Continued on page 80)

An Army Fights to Fill Your Gas Tank

TWENTY-FIVE years ago the family horse was fed in the stable and paid for before it was driven. Today the family car is nourished with gasoline at a public filling station, and may or may not be paid for before it is used.

Nothing, says the philosopher, is permanent except change. The changing methods of gasoline retailing is a case in point. At the beginning of this century gasoline was simply one of the by-products of petroleum, a poor relation to kerosene, then the family pride. Swiftly a market grew, until now gasoline is the white-haired boy of the petroleum industry, our fourth largest in value of manufacture and second in value of exports.

A quarter of a century ago gasoline was known in the home principally as a fluid which would remove spots from clothing and was dangerous near flames. Last year more than twelve billion gallons were produced to satisfy an ever-growing demand.

Many new products have their troubles working out efficient systems of distribution. Gasoline is no exception. Because it can find no close precedents to follow, it must proceed by the trial and error methods. Today it is suffering somewhat from overproduction, but those in the industry will tell you that it isn't an overproduction of product so much as it's an overproduction of outlets.

Many Stations

BY the latest registration figures, there is a motor car for every sixth American and a gas station for every eighty automobiles in the country. In some states there is probably a filling station for every fifty cars. The number of pumps at any gas station varies from one to fifty or more, each with its underground tank which holds from 500 to 1,000 gallons.

Of the twenty-odd million cars and

By WILLIAM BOYD CRAIG

trucks now running, the average uses just under 500 gallons of gasoline a year, and between 20 and 25 gallons of oil. All over the country the retailer's mark-up on gasoline, which includes overhead and profits, is three cents or less. To exist, a station must have a good location. The better the situation, the higher the fixed charges such as rent will be, with the result that the profits from gas selling are modest, to say the least.

What Method of Distribution?

WHAT will the limit be? Is the saturation point near at hand, or has it been passed already? Will the drive for outlets take a more intensive form, until we see gasoline delivered at the doorstep like milk? Or will there be fewer but bet-

ter sales stations? The retailing end of the industry seems to be nearing a turning point now.

No consideration in retailing of any kind is more interesting or more intricate than price. What makes the price of a one-karat diamond, or of a good cigar, or a Rembrandt painting? Why does gasoline sell for twenty-one cents a gallon in the District of Columbia, for instance? The answer probably will never be worked out with mathematical precision because of the infinite number of gallons, each with its own cost figures, which would have to be averaged together to get a true mean. Yet a good approximation can offer a lot of food for thought for the motorist who profanely points to the gasoline price as pure extortion. Two cents from every gallon sold goes for a tax used in repairing Washington streets. (The average tax for the nation is about three cents.) Three

cents from the remaining nineteen is the margin or mark-up which the retailer works on. Out of this come rent, light, heat, wages, bookkeeping, advertising, donations and, if there is anything left, profits.

Itemized Price

SIXTEEN cents is the average tank wagon price. The wholesaler usually works on the same mark-up as the retailer. His overhead is naturally high, with offices and trucks to be maintained, occasional demurrage to pay, cartage, wages and other incidental expenses of selling.

Seven cents is a good refinery price for a gallon of gasoline at Tulsa or similar distributing centers. That leaves six cents for loading, freight, storage, unloading, advertising, cartage and profit. The complete tabulation follows:

Retail price...	\$0.21
Tax02
Retailer's mark-up03
Wholesaler's mark-up03
Freight and storage06
Refiner's price.	.07

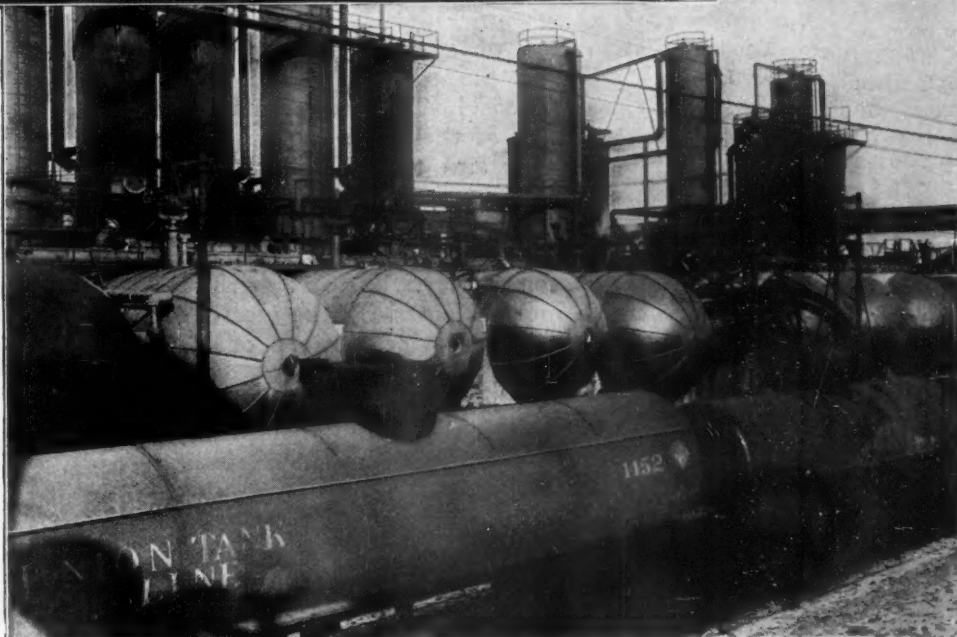


Find the Filling Station. Here's beauty used as a business tool. The gas station is built to fit its surroundings in this Kansas City, Mo., architectural group



The retailer's mark-up will vary somewhat, as he may be granted a better price if he buys in quantity. Competition may be so keen, on the other hand, that a smaller margin is necessary in some localities. Refinery prices, while subject to fluctuations, are not so likely to be lowered to increase sales to wholesalers. This is due to the fact that many of the large oil companies have their own wholesale departments to take care of the distribution of their products. These wholesale departments in turn take care of establishing new stations by lending pumps and possibly putting in driveways and other special equipment for the operators. The result of such a policy is that many station operators are doing business financed almost entirely by the big oil companies. It would be possible to find cases where the retailer had a hundred dollars of his own money invested in a filling station, while in pumps and improvements the oil companies had put several thousands.

The strongest single influence on the price of a gallon of gasoline is the cost of transportation, congressional committees to the contrary. Astute economists place the operation of supply and demand as the second factor in importance in establishing price. Instead of the alleged collusion within the industry to keep price up, there is the hottest sort of com-



petition which often results in violent expression in the form of price wars.

A gallon out of every hundred evaporates between the refinery and the automobile tank. This loss must be passed on to the consumer, so that he pays, actually, for 100 gallons while he gets but 99.

The consumer can't tell whether he is using gas refined from a Pennsylvania or a California or an Oklahoma well, or a mixture of all three. If he, the consumer, is on the eastern seaboard, the chances are better than even that it was produced by Atlantic coast refineries. About a fourth of the east's gasoline is shipped in a finished state from Gulf ports. Ten per cent is from California, and nearly the same amount comes from Appalachian Mountain refineries.

If every refinery in the country shut down suddenly, the existing supply would meet normal demand for less than a month.

More Uniformity

GASOLINE is showing a slow but certain tendency toward uniformity since the war, according to the Bureau of Mines, which makes a semi-annual survey of the composition of retail gasolines. Average volatility is almost invariably found to be well within navy specifications, which are the standard for the country. Winter

The story of the distribution of gasoline in pictures. The top picture shows crude oil flowing from a Kansas well at the rate of ten thousand barrels a day. The center is of a Bayonne, N. J., refinery. The torpedo-shaped stills remove the most volatile by-product naphtha. The lower picture tells its own story of gasoline distribution, with three stations on a single corner in Washington, D. C. Is such expensive competition a wise type of merchandising?

gas has heretofore been more volatile than summer gas, but this difference is becoming less and less, the Bureau says.

The retailer is faced with a serious problem in hiring assistants. They are the shock troops of his business, and one of his real assets—or liabilities.

Too often young boys who seem to have skipped all the grades in school where grammar is taught are employed. As a rule they are honest, but not infrequently they give the impression that a real idea would prove fatal.

The average wage of a gas station attendant is \$60 or less a month. Not a princely sum, and probably the main reason why they are attendants, not salesmen. To many it's just a job, a little better than going to school. Yet the service that the salesman can give is one key to profits. When a man drives up to a tank and asks for 5 gallons of gas, that is not necessarily the end of the transaction for the station man. The motorist is distinctly open to suggestion at such a time. He has less "sales resistance" than when in a drug store, for instance. He does not want to be sold what he wants so much as he wants to be sold what he needs.

Nowhere is competition keener than on the Pacific coast, close to the flush fields of the Far West. Consequently, station service is so good that tourists from distant points return to their homes marveling at the eagerness of most attendants to please them.

A California garage owner was lamenting to a friend over his inability to compete for gas and oil sales with a station across the street run by one of the big producers.

"How is it," he asked an eastern automobile trade group official, "that I have to pay my attendants twice what they do across the street, and yet I can't get anything like the willingness to work out of the boys that they can? No matter how much I preach service, courteousness and salesmanship to them, they are a step behind the lads of the organization across the street. It has me guessing."

Organization Morale

LATER the trade association official found the answer from one of the organization offices. "When you drive up to one of our stations for gas or oil," he said, "you are being served by the future officials of the company. If you don't think so, ask them. Mostly college boys, but we sell them on the value of their jobs. They can't even use a pump until they have shown they can wipe windshields. Then, after proving that they are ambitious enough to stick, they are given a little better station rating and given the job of selling oil. It's true that the president and most of the high officials came up through the same ranks, so we go the limit in fanning the private ambitions to succeed among our whole personnel. And the company gets

the benefit because the public is pleased."

Last January a Kalamazoo, Michigan, operator checked up his sales and found his ratio was 17 gallons of gasoline to every quart of oil. He showed his assistants how things stood and impressed on them that they were evidently overlooking possible oil sales. He led the way himself in soliciting more business by pointing out to customers their own needs. If a motorist asked for 5 gallons, he put in that amount, then reminded him that the tank would still take 3, 4, 5 or even 10 more gallons,

THE present-day price of gasoline is not the only factor to be considered. Nearly three years ago, in appointing the Federal Oil Conservation Board, the President pointed out that oversupply "encourages cheapness, which in turn leads to wastefulness and disregard of essential values." One of the economic leaks due to overproduction is the wasteful competition in distribution.

In the distribution of gasoline through the 250,000 filling stations, the automobilist is well served, but at what a cost! The service station absorbs nearly as much of the price you pay for gasoline as the refinery and oil well, while the transportation charges generally equal the highest of state taxes. Plainly, distribution costs too much, for there are far too many outlets for the oversupply of this commodity, the total demand for which is much more affected by the weather than by brightly painted service stations or attractive roadside advertising signs.

We thus pay for a competition that increases costs rather than reduces prices, and that piling up of unnecessary cost has been estimated in a single state at not less than \$20,000,000.

HUBERT WORK,
Secretary of the Interior

and it might as well be put in now, to save another trip.

The motorist's oil was gauged with a polite "I just wanted to make sure you have enough oil," and thus the burden of proof was shifted to the motorist, or rather to his crank case. The same station operator proved that the automobile which stopped for air was a potential customer for oil and gasoline as well. Putting air into tires is a necessary evil which many men gratefully relinquish to the station attendant with a sigh of relief. The same operator found that polite suggestions sold more and more accessories, as long as the suggestions were put forward as representing a desire to fill the motorist's needs rather than to run up the bill of sale. At the end of three months' sales effort he had changed the oil ratio to a quart for every 5½ gallons of gas. Profits jumped proportionately, for in oil there is a larger margin for the retailer.

One retailer found that measuring the gas tank of small cars which do not carry gauges increased his volume. Five gallons was the small car owner's usual order. The

remark, "It'll take seven," meant enough extra gallons sold to warrant dipping the measuring stick into the small car tank. Naturally, tact was a big factor in the tone in which the information was given to the driver.

It is a hard job for an independent operator to establish the individuality of his station on the mind of a large body of customers. Standard prices prevail pretty largely, so that he is unable to base his appeal on price. Whether a fixed price is good for the industry or not is open to question. When an occasional sign shows gas offered at a price below the average, it is a sign that the distress sign is flying from a refinery somewhere.

Again, the retailer is forced to handle advertised brands. He is, in the eyes of the buying public, the representative of a large producing unit rather than an individual business man fighting to express himself by his own business methods. Whatever good-will he builds up goes to the manufacturer, in most cases.

One reason for this is to be found in the fact that the individual gets his mess of pottage when he lets the manufacturer lend him his pumps and other facilities. Usually the manufacturer who makes the best offer of free equipment names the only brand carried.

Shall the retailer build his gasoline business as a sideline to his accessories trade, or shall he sink or swim with gas and oil sales? It seems simple enough when stated in so many words, yet that is no small part of his problem, and his success will be measured by the accuracy with which he finds his own answer, depending on local conditions.

A glance at facts brought out by the Baltimore Retail Survey seems worth while here. Gasoline with 31 wholesalers found 800 outlets in the city proper. These outlets, with the volume done by each last year, were:

Outlet—	Number	Volume
Auto accessories	31	\$121,400
Automobile	21	208,300
Bakeries	2	No figures
Candy	5	2,500
Coal, wood and ice.....	2	18,600
Dairy	1	No figures
Drugs	1	800
Dry goods	1	100
Florist	1	No figures
Fruits	1	3,000
Furniture	1	No figures
Gasoline and oil.....	221	13,075,900
General	1	No figures
Groceries	474	4,700
Hardware	17	4,300
Meats and fish.....	15	2,300
Motorcycles	2	2,600
Paint and oil.....	2	100
Ice cream	1	No figures

Total..... \$13,444,600

Many retailers in that city did not stick to petroleum products as the only source

(Continued on page 60).

Back of Today's "Ad"

By HOWARD H. BOYCE

TODAY the purchase of a pair of shoes is a simple matter. Through advertising you have learned the merits of different makes, and you can easily purchase, by name, the article most suited to your needs.

But what about the stone-age man, when he wanted a covering to protect his feet?



RACE.



BULL.



WRESTLING.

Wall signs in Ancient Pompeii—about 70 A. D. (From "The History of Signboards," by John Holten and Jacob Larwood)

nish him with food and the necessities of life. In probably this way primitive trade was established.

His tribe being small, his next problem was to dispose advantageously of his surplus productions.

The display of his shoes in some way in front of his cave-home accomplished this, and the original "show-window display," which was the world's first advertisement, was brought into being.

The introduction of a written language such as carving and painting upon rocks, dwellings and trees, furnished the world with the first written advertisements.

A well-preserved copy of the oldest advertisement existing has been ex-

humed at Thebes, Egypt. It has been estimated to be more than three thousand years old, is written on papyri, and offers a reward for a runaway slave.

During the reign of the Caesars, Roman merchants had their slaves prepare wall inscriptions, or placards, to be placed on the bulletin boards throughout the city. Dr. Vittorio Spinazzola, in "Pompeii and My New Excavation," says, "Every available wall in Pompeii was a billboard devoted to publicity. The factories and offices all had painted signs, some of them works of art; while every wall and pillar was used for advertising space." Two men carrying an amphora advertised a wine shop, two men at swordplay meant a fencing school, a goat called attention to a dairy, and a boy being whipped indicated a school.

Gladiatorial contests, chariot races and sports of the arena were advertised by means of posters. Here is one:

The gladiatorial troupe of A. Suetius Certus, the Aedile, will fight at Pompeii on May 31. There will be a hunt and awnings.

As a side show to the regular attractions wild beast hunts were frequently given, while the awnings which covered the amphitheater, which was usually open to the sun, were very much in favor with the public.

Another type of sign commonly used was the "for rent" announcement:

For rent from July 1st, next, in the Arrio-



The Mermaid

Pollian block belonging to Cn. Alleius Nigidus Marius, shops with rooms above, second story apartments fit for a king, and a house. Apply to Primus, slave of Marius.

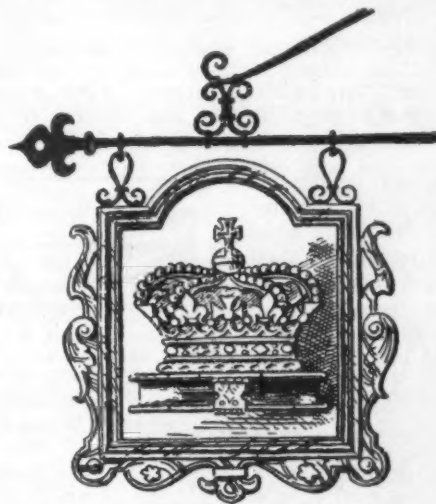
The earliest book advertising should be credited to Rome, where authors and poets sometimes hired a house, dispersed prospectuses, and publicly read their works. Somewhat later Roman booksellers used placards on which were inscribed the titles of new books they offered for sale.

In ancient Greece the infernal deities were called upon to aid advertisers of lost articles. Sheets of lead, on which curses were inscribed, were placed on the statues of the gods, to whose vengeance the finder of the lost article was consigned.

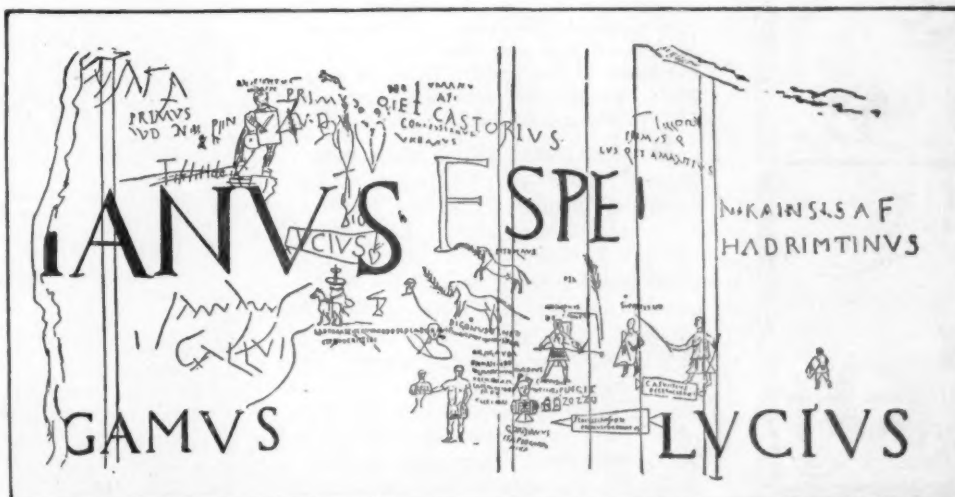
The "Acta Diurna," although sometimes called the "first newspaper," was more of an outdoor bulletin and was issued by the government of Rome as an official gazette, being posted up daily in a position of prominence for the public to read.

In *Printer's Ink* for August 6, 1925, Edward I. Devlin, Jr., says of trademarks:

The modern trademark had its root in the marks of medieval times. Apparently these marks were twofold, those indicating the ownership of the goods upon which they appeared and which were called "merchants personal and proprietary marks" and those indicating the source or origin of the goods and which may be called "production marks." If the owner and producer happened to be one person, the name



A pictorial address of the 17th Century, London. The Bible and Crown. (From "Some Signs of Old Lombard Street," by F. G. H. Price)



Wall Inscriptions in Pompeii—apparently remarks and opinions expressed by inhabitants, with reference to their fancies and favorites, in the circuses and at other public exhibitions. (From "History of Advertising From the Earliest Times," by Henry Sampson)

mark often served a dual function.

The proprietary mark was used for identification so the owner could claim possession under any circumstances. As the law did not oblige the use of proprietary marks, they were used "solely because the merchants found such use to be to their best interests."

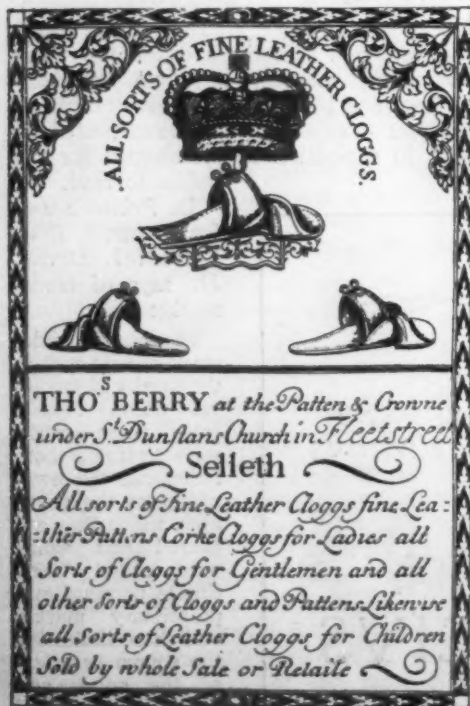
The mark denoting the origin of a commodity was used for an entirely different purpose.

Medieval history tells us that artisans and skilled craftsmen of various trades were banded together in guilds. In order to eliminate any inferior workmen, and thus keep its product up to a set standard, the guilds required all members to place their own mark upon goods made by them and to register their marks at the guild headquarters. As the goods offered for sale were previously inspected by officers of the guild, the maker of an inferior article could be quickly and easily discovered.

Mr. Devlin continues:

The modern concept of the trade-mark as an asset of value did not develop until a much later period. Under the guild system, sales of manufactured goods were made to people in the immediate community.

As the country, particularly England, de-



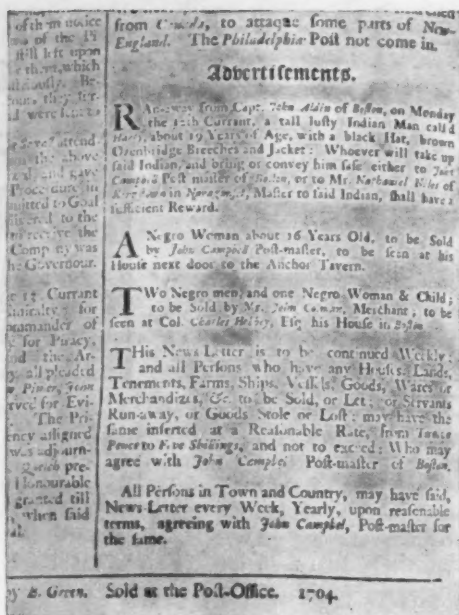
ALL SORTS OF FINE LEATHER CLOGS

THOS BERRY at the Patten & Crowne under St Dunstons Church in Fleetstreet

Selleth

All sorts of Fine Leather Clogs fine Leather Pattens Corke Clogs for Ladies all Sorts of Clogs for Gentlemen and all other Sorts of Clogs and Pattens likewise all Sorts of Leather Clogs for Children Sold by whole Sale or Retail

Shoe advertisement of the 18th Century. From "London Tradesmen's Cards of the 18th Century," by Ambrose Heal. (Courtesy of Chas. Scribner's Sons)



with notice of the 19th of the 17th Century. The Philadelphia Post not come in.

Advertisements.

R. Answer from Capt. John Smith of Boston, on Monday the 12th Current, a tall lusty Indian Man called Harry, about 19 Years of Age, with a black Hat, brown Overcoat, Breeches and Jacket: Whoever will take up said Indian, and bring or convey him safe, either to Jarr Camps or to Mr. Smith, or to Mr. Nathaniel Smith of King's in Newmarket, Master to said Indian, shall have a sufficient Reward.

A Negro Woman about 16 Years Old, to be Sold by John Camps Post-master, to be seen at his House next door to the Anchor Tavern.

Two Negro men, and one Negro Woman & Child, to be Sold by Mr. John Camps, Merchant, to be seen at Col. Charles Henry, His House in Boston.

This News Letter is to be continued Weekly, and all Persons who have any Houses, Lands, Tenements, Farms, Ships, Vessels, Goods, Wares or Merchandizes, &c. to be Sold, or Let, or Servants Run-away, or Goods Stole or Lost, may have the same inserted at a Reasonable Rate, from Ten Pence to Five Shillings, and not to exceed: Who may agree with John Camps, Post-master of Boston.

All Persons in Town and Country, may have said News Letter every Week, Yearly, upon reasonable terms, agreeing with John Camps, Post-master for the same.

B. Green, Sold at the Post-Office. 1704.

Right: London Undertaker's Advertisement of about 1715. (From "Some Illustrations of Olde London," privately printed for T. Cornman, at London, in 1894.) Left: America's First Newspaper Advertisements. Appeared in the first issue (1704) of the "Boston News-Letter," published at Boston by John Campbell, postmaster)



AMERICAN METALLIC COLLARS

The only enameled "Turn-over" Collar made in metals. Send \$1.00 for a "Turn-over," or 75 cents for a "Choker," to C. H. WELLING, 94 Pine Street, New York, and receive it by return mail.

The original collar advertisement, from "Harper's Weekly," of 1864. (Reproduced from "Printer's Ink" for December 24, 1925, by courtesy of that magazine)

veloped and as the general government took a more active interest in the development of the national industries, the products of these industries found their way into foreign markets. This was especially true of the cloth and cutlery trades. Purchasers in foreign markets began to realize that the products of one town were better than those of other towns. They looked, therefore, for the mark indicating that the cloth, for example, had been made and approved by the guild of that town. And so it was that cloth of Colchester became greatly in demand and was identified solely by the mark of the guild. Thus the mark, which, when trade was local, was a liability, became an asset.

The first retail stores were merely houses converted temporarily into places of business; the first stores to be erected as such were in London and Paris. A merchant in one of these cities can be given the credit of conceiving the idea of placing goods close to the windows so that passers-by might see them from the street. Behind this idea was the older usage of placing merchandise on the sidewalk where it might be examined by possible purchasers. This plan was certainly an adaption of the methods of the bazaars so prevalent in the eastern countries.

The discovery of the art of printing ushered in a new method by which the

merchant could make known his wares. This was by the printed word.

The assignment of credit for the invention of printing has been much debated. In Haarlem, Holland, Coster was printing from movable types some time before 1446; Gutenberg was printing in Mainz, Germany, at about the same time. Manuscripts produced as early as the twelfth century show the use of initial letters that may have been printed from wooden stamps.

The invention and growth of printing was necessarily retarded by

the lack of a suitable material on which to print. The introduction of paper into Europe supplied this material. The use of paper in China, where it originated, probably dates from the second century B. C. During the eighth century the Chinese and Arabs were at war, and among the prisoners captured by the Arabs were several paper makers. Arabia transmitted her knowledge to Greece. Through Greece, Europe learned of paper-making, but it was not until the thirteenth and fourteenth centuries that really good paper was made. Printing developed as a natural consequence

ADVERTISEMENT TO THE READER.

It has long been regretted as a Misfortune to the Youth of this Province, that we have no ACADEMY, in which they might receive the Accomplishments of a regular Education.

The following Paper of Hints towards forming a Plan for that Purpose, is so far approved by some public-spirited Gentlemen, to whom it has been privately communicated, that they have directed a Number of Copies to be made, by the Press, and properly distributed, in order to obtain the Sentiments and Advice of Men of Learning, Understanding, and Experience in these Matters; and have determined to use their Interest and Skill to procure the Scheme, when completed, to be carried gradually into Execution, in which they have Reason to believe they shall have the hearty Concurrence and Assistance of many who are well disposed to their Country.

Those who desire to favour the Design, with their Advice, either as to the Place of Learning to be taught, the Order of Study, the Method of Teaching, the Economy of the School, or any other Matter of Importance to the Success of the Undertaking, are desired to communicate their Sentiments as soon as may be, by Letter directed to B. Franklin, Printer, in Philadelphia.

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Page from Franklin's pamphlet, "Proposals Relating to the Education of Youth in Pensilvania." (Copyright, 1926, by the United Typothetae of America)

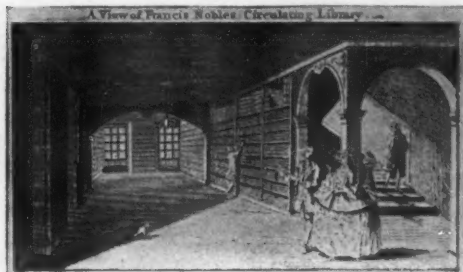
of this, and with the multiplication of books and the spread of learning the world entered upon a new era.

Written poster-bills were in use in Rome during the first half of the fifteenth century; however, soon after the discovery of the art of printing it was applied to the purpose of multiplying advertisements of this kind.

Henry Sampson, in 1874, said, "We may fairly assume that one of the very first posters ever printed in England was that by which Caxton announced, circa 1480, the sale of the Pyes of Salisbury use at the red pole, in the almonry, Westminster." ("The Pyes of Salisbury use" were a collection of rules, as practiced in the diocese of Salisbury, to show the priests how to deal, under every possible variation in Easter, with the concurrence of more than one office on the same day. These rules varied in the different dioceses.) "Of this first of broadsides two copies are still extant, one in the Bodleian Library, at Oxford, the other in Earl Spencer's library. Their dimensions are 5 inches by 7 inches."

Previous to the introduction of newspapers, all shops in London and Paris had quaint, painted picture-signs, so that servants, unable to read, might find them. Caxton's shop of the "red pole" derived its name from a sign of this character.

The origin of these signs can be traced back to the time when the houses of the



A View of Francis Nobles' Circulating Library.

Francis Nobles' Large Circulating Library.

Atway's Head, in King Street, Covent Garden.

Books are LENT TO READ (Both English and French.)

At Half a Guinea a Year, or Three Shillings a Quarter.

Note: New Books Bought as soon as Published.

Ready Money for any Library, or Price of Books on Books Exchange.

18th Century Advertisement of a Circulating Library. (From "London Tradesmen's Cards of the 18th Century" by Ambrose Heal. Courtesy Chas. Scribner's Sons)

Below: First page of the first issue of the Boston Transcript of July 24, 1830. The issue was four pages and contained three pages of advertisements

English nobility were used as hostels while the owners were away. The coat-of-arms, hanging in front of these homes, pointed them out to travelers. Roadside inns then took to hanging out signs of their own, on which were painted pictures of birds, animals, heads and the like. The common people, unversed in the mysteries of heraldry, thus came to call shops by the name suggested by its sign, such as the Blue Boar, the Red Lion, the Royal Oak, etc.

Printers and booksellers of these times used a woodcut of their signs in their books so that their shops might become well known through the inspection of these cuts. In addition, printers often used the words "cum privilegio" on the title pages of their works. Such devices may be likened to our present-day trade-marks.

The public crier, known in ancient Palestine, Greece and Rome, was an important institution in the middle ages. In order to attract attention the crier carried a bell which he rung long and loud and followed the peals with the news of the day, royal decrees, or other importances. Merchants, seeing the advantages of this method, came to employ him to cry their wares, and the general public used the crier to announce lost and found articles.

(This is the first of several articles on the history of advertising by Mr. Boyce. Others will appear in early issues.)

Daily Evening Transcript.

VOL. I

BOSTON, SATURDAY, JULY 24, 1830.

No. 1.

EVERING TRANSCRIPT

L. M. WALTER, EDITOR.

BUTTON AND WESTWORTH, PUBLISHERS,
No. 4, Exchange Street.TERMS—Four dollars per annum, payable semi-annually in advance.
Advertisements inserted at customary prices.

REGULAR PACKETS.

NEW YORK DESPATCH LINE.

Schr. Sun,	M. Homes, Jr.	Master.
" Turk,	D. Godfrey, Jr.	"
" Tio,	J. Nickerson,	"
" Norer,	Z. Bassett,	"
" Warrior,	Geo. Lovell,	"
" Tremont,	Isaiah Lewis,	"

Sail regularly from the head of Long Wharf every Wednesday and Saturday.

NEW YORK NEW LINE.

Schr. Champion,	S. Baker,	Master.
" Gentle,	S. H. Howe,	"
" Boston,	R. Gould,	"
" Mohican,	T. Sparrow,	"
" General Store,	A. Baxter,	"
" Oscar,	J. Baker,	"

Sail regularly from the head of Central and Long Wharfs every Wednesday and Saturday.

NEW YORK COMMERCIAL LINE.

Schr. Henry,	Davis,	Master.
" Banner,	S. Bulkeley,	"
" Vesper,	A. Valenman,	"
" Rochester,	S. Silliman,	"
" (new),	M. Bulkeley,	"
" (new),	J. W. Davis,	"

Sail regularly from the head of Mercantile Wharf every Wednesday and Saturday.

PHILADELPHIA REGULAR LINE.

Brig. Palm,	Lincoln,	"
" Acorn,	Ashley,	"
" Thorn,	Lucy,	"
" Georgian,	Thatcher,	"
" Susan,	Ashley,	"

Sail regularly from Long Wharf every week.

MESS REEF, 150 bbls. 1, 2, 3, 4, for sale by BRIDGE & FULLERTON, 3 Long Wharf.

RAISINS, 33 casks Malaga, for sale by JOSIAH BRADLEE & CO. 34 India Wharf.

MERINO CLOTHS, 1 case for sale by WHITNEY & HASKELL, 99 Washington Street.

SILVER CHAMPAGNE, 10 cases for sale by ED COOMAN, 31 Congress Street.

HAVANA SUGAR, 154 boxes for sale by CHANDLER & HOWARD, 16 Central Wharf.

VARNISH, for copper plate printers, for sale by JOHN PUNCHARD, 22 Congress Street.

S TARCH, 50 bbls. Philadelphia, for sale by STANTON & NICHOLS, 19 Central Wharf.

WHEAT MIDDINGS, 300 lbs. for sale by SEYMOUR BENSON, 32 Long Wharf.

REFINED SUGAR, 150 boxes loaf and lump, for sale by J. M. BROWN, 12 Long Wharf.

IMITATION ST. CROIX, 25 pouches for sale by MUNSON & BARNARD, 17 Central Wharf.

SALT, Tripoli, Cadiz, St. Ubes and Liverpool, for sale by BALLISTER & McLELLAN, 31 Long Wharf.

TEAS, NANKINS, SUGAR, & CASSIA, for sale by THEODORE D. PARKER, 48 India Wharf.

ST. DOMINGO COFFEE, 110 bags prime for sale by JAMES ANDREWS & SON, 8 Central Wharf.

TOBACCO, 150 kegs Richmond, for sale by ROBINSON, TYSON & CO 30 Long Wharf.

PICO WINE, pipes—half doz.—and quarter casks, for sale by A. & C. CUNNINGHAM, Rowe's Wharf.

PORT WINE, in pipes and quarter pipes, for sale by ELDRIDGE & NICHOLSON, 14 Broad Street.

SPERM CANDLES, 130 boxes, 4 1/2 & 6's for sale by C. W. CARTWRIGHT & CO. 32 India St.

WOOL, 10,000 lbs. Ohio fleece, for sale by LIVERMORE & KENDALL, 51 Kilby Street.

SHERRY WINE, ripened under the sun, for sale by ABEL PHELPS, Congress Street.

PORT WINE, 5 years in the wood, for sale by ABEL PHELPS, Congress Street.

FRENCH WINES, of celebrated vineyards, for sale by MERIAN & BRIGHAM, Congress St.

PRIME CIDER, 300 pipes, from 2 to 6 years old, for sale by JNO. PENNO, Hanover St.

TOBACCO, 20 boxes Richmond, for sale by ROBINSON, TYSON & CO Long Wharf.

PRINTING INK, Hastings Manufactory, for sale by JNO. PUNCHARD, 22 Congress St.

HAVANA CIGARS, 100 half and 100 boxes, for sale by CHANDLER & HOWARD, 16 Central Wharf.

WHITE ASH PLANK, A superior lot for sale by BENJ. THOMPSON, Charlestown.

MADEIRA WINE, 10 Gross superior, O. P. for sale by ABEL PHELPS, Congress St.

MOLASSES, 140 bbls. Surinam, 500 bbls. Havana, for sale by THOMAS & EBENEZER MOTLEY.

PIPE STAVES, 12,000 White Oak, for sale by HOWARD & MERRY, 30 Central Wharf.

CROOK'S COTTON DUCK, 100 bbls, for sale by JNO. PEARSON, 34 Long Wharf.

CLEAR PORK & HAGON, 108 bbls, for sale by COPELAND & LORING, 7 Long Wharf.

SALT-PETRE & SAL-AMONIAC, for sale by HALL & WILLIAMS, 35 Central Wharf.

NEUTRA SKINS, 10,000 prime, for sale by B. HOMES, 100 Milk St.

DRY CRISTOSTONES, 400 for sale by B. HOMES, 100 Milk St.

SURINAM MOLASSES, 26 bbls, for sale by GEO. HALLET, 19 India St.

MARTINIQUE MOLASSES, 74 bbls, for sale by BENJ. SMITH, 31 India St.

VASE FLOWERS, An assortment for sale by BENJ. JACOBS, 44 Washington St.

VESTINGS, A large assortment, for sale by JNO. WILSON & Co State St.

CHURCH BELLS, of superior tone, for sale by H. N. HOOPER, Liberty Square.

GENESEE FLOUR, 600 bbls, for sale by BIGELOW & BANGS, 16 Long Wharf.

CRASH, 4 bales for sale by FREEMAN, COBB & Co, 53 Kilby St.

SUGAR, 100 boxes, white and brown, for sale by E. COPELAND, Jr, 63 Broad St.

PORT WINE, of delicate flavor, for sale by ED COOMAN, 31 Congress St.

CHAIN CABLES, manufactured by COTTON & HILL, 30 Long Wharf.

PALM LEAF, 200 bales Manilla, for sale by JOHN FRENCH, 9 Long Wharf.

RYE FLOUR, 50 bbls, for sale by H. C. RACE SCUDDER, 4 Central Wharf.

PATENT CORDAGE, constantly for sale by JNO. FAIRFEL, 27 Central Wharf.

VIRGINIA COTTON, 8 bales for sale by WM. H. LADD, 8 Long Wharf.

AMERICAN GIN, Sabin's, Green River, for sale by STANTON & NICHOLS.

FRESH TEAS, in casks of 100 lbs, for sale by G. MURDOCK & CO.

STUBS SALT, A cargo about, for sale by E. WESTON, 29 Long Wharf.

BROWN COTTON, 200 bales for sale by W. & S. LAWRENCE & STONE.

LOGWOOD, 65 tons St. Domingo, for sale by H. C. CLARK, 41 Central Wharf.

TEAZELS, 20,000 for sale by WARREN, BARRY & PARK, 27 Water Street.

SHOT, Vaulx's Patent for sale by WHITE, WELLS, BOND & CO 11 Kilby Street.

Yesterday's Races Made Today's Car

THE growth of the motor vehicle is an epic of speed which extends from the time A. L. Riker first covered a mile in one minute to the recent achievement of Major H. O. D. Seagrave of England, whose Mystery S. Sunbeam streaked a mile on the historic sands of Ormond at a rate of more than 203 miles an hour.

At the present time racing does not play its former important part but in the early days of the motor vehicle it was the test by which a car or engineering innovation was proved.

It cost more than thought and effort—it cost lives, for those who courted the Roaring Road found her a cruel mistress. To such great drivers as Frank Croker, Alex Raoult and Marcel Renault, who lost their lives in those early dangerous contests, must go much of the credit for developing the automobile to its present state of reliability and efficiency.

The early races were ludicrous when compared with the highly specialized contests known today. But they were more serious than the latter day spectacles, because it was realized then that the future of the vehicle depended upon them.

At the time of the early races tracks

By CHRIS BATCHELDER

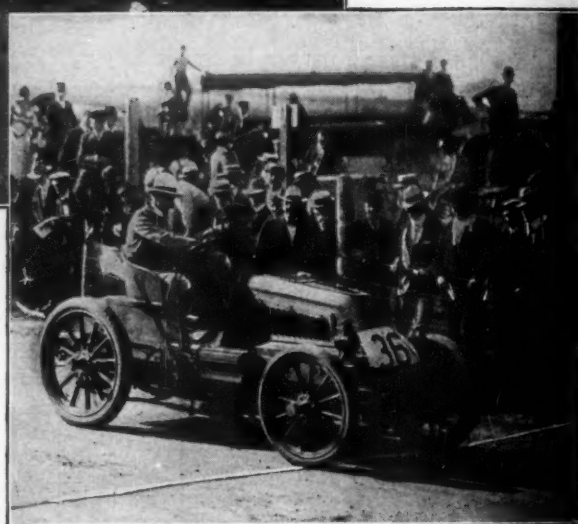
were unnecessary, the roads sufficing to carry the maximum speed of 20 to 25 miles an hour. America's first race was

the greatest series of racing classics.

The first of these Vanderbilt Cup races was held over the roads of Nassau County on Long Island in 1905 and was won by George Heath, an American in an European-built Panhard car, which maintained an average speed of 52 miles an hour over a course of 268 miles.

In the early American races foreign cars scored sweeping victories, largely because of superior construction and better preparation. American engineers, tun-

Rounding the hairpin turn on the Vanderbilt cup course. Below: Foxhall Keene starting in first Vanderbilt cup race



the Times-Herald Road Race for a \$5,000 purse, which finally was held on Thanksgiving Day, 1895, after two postponements. It was won by the Duryea car which ran over the specified route from Chicago to Waukegan and back without serious mishap.

Until 1904 racing in America was more or less irregular but in that year William Kissam Vanderbilt, Jr., placed up for competition the now famous Vanderbilt Cup which was to give the country its first and

ing cars for speed tests were too prone to substitute new parts and appliances in the hours just preceding the race. Besides

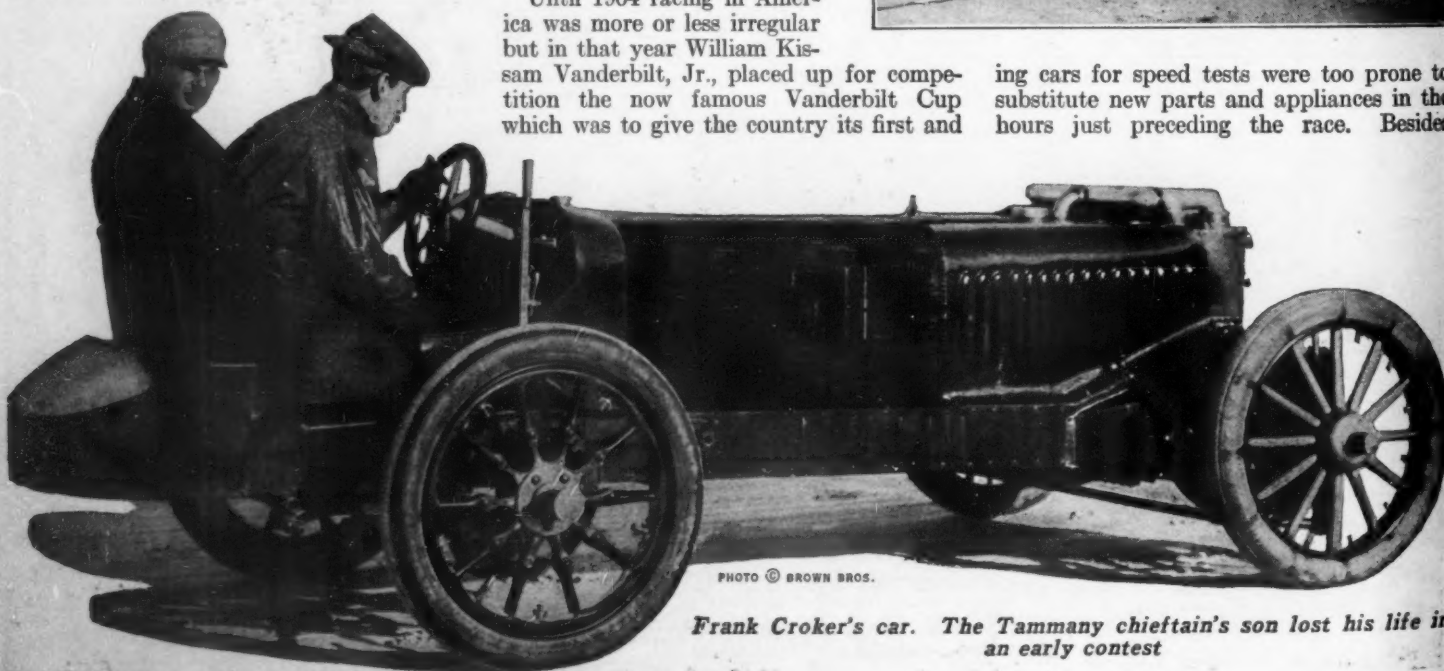


PHOTO © BROWN BROS.

Frank Croker's car. The Tammany chieftain's son lost his life in an early contest

this difference, most of the foreign cars were almost hand-built models specially constructed for racing purposes, as against the early American practice of making only necessary changes on stock cars. Later, Americans, too, began to enter specially constructed cars which in some cases bore not the slightest mechanical resemblance to the vehicles offered to the public, and as a result racing lost its early value as proof of the worth of winning cars.

The Vanderbilt Cup was a daring, gruelling race. The start came at day break, and it is a peculiar testimony of the perverseness of human nature, that as long as the race was conducted at that outlandish hour, the public fought for the privilege of attending; but as soon as the event became a commonplace daytime affair interest waned.

Automobile races in America are still popular and draw crowds that compare with the attendance at any other type of sporting event but it is doubtful that racing will ever again be seen in the halo of romance that surrounded the Vanderbilt Cup classic.

It was the custom of fashionable people, in New York for the Vanderbilt Cup race, to conduct parties the night before the event, and then at about 2 A. M. drive down Long Island to the course for the daybreak start. Thus the event became such an unusual and novel experience that smart people could not afford to miss it. The sight of thousands of cars sinking in the dark into positions along

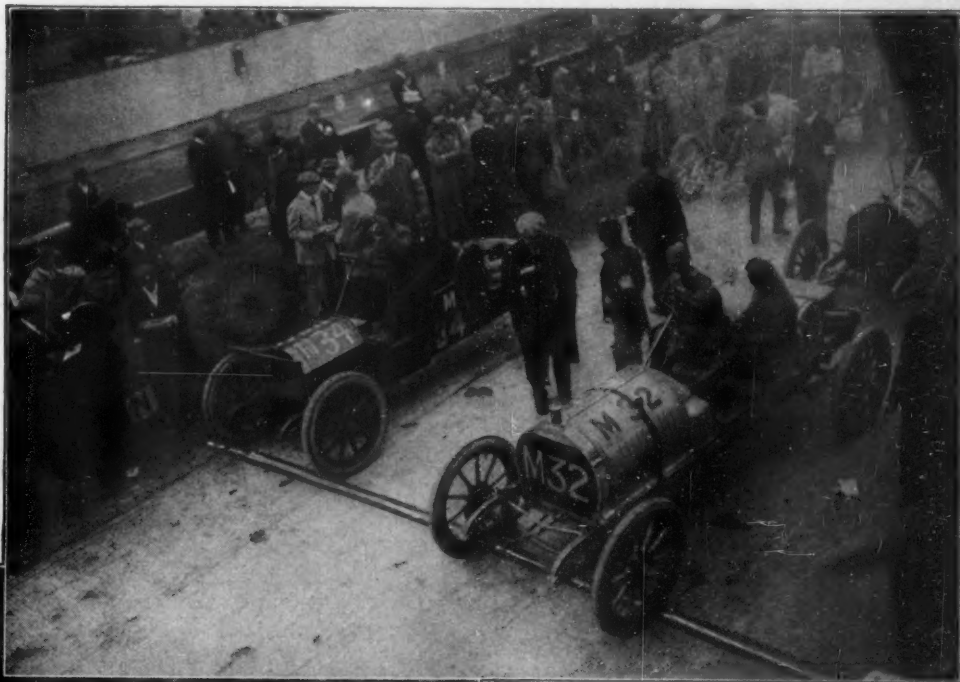


PHOTO © BROWN BROS.

Above: Start of the small car class, first Vanderbilt cup race on Long Island. Left: A group of cars on an early Glidden tour fording a stream. Such tests helped to build the automobile up to a high mechanical standard



PHOTO © LAZARNICK

the course, with their searchlights cutting soft, triangular swathes in the murky, dust-laden air, is a picture that many an old race lover still carries in his mind. It was not perhaps, racing at its best, but it was certainly racing at its most picturesque.

Later the Vanderbilt Cup was transferred to a course at Savannah, Georgia, a change made necessary largely because of inability to keep enthusiastic spectators off the Long Island course. When the first car finished, racing fans would swarm out of the improvised grand stands to congratulate the winner, happily unconscious of the other cars bearing down upon them. Often the course would be a solid mass of milling people, blocking the way of the oncoming cars, but the spectators would manage to open a narrow lane just as the other cars swooped down to the finish.

(Cont. on page 62.)

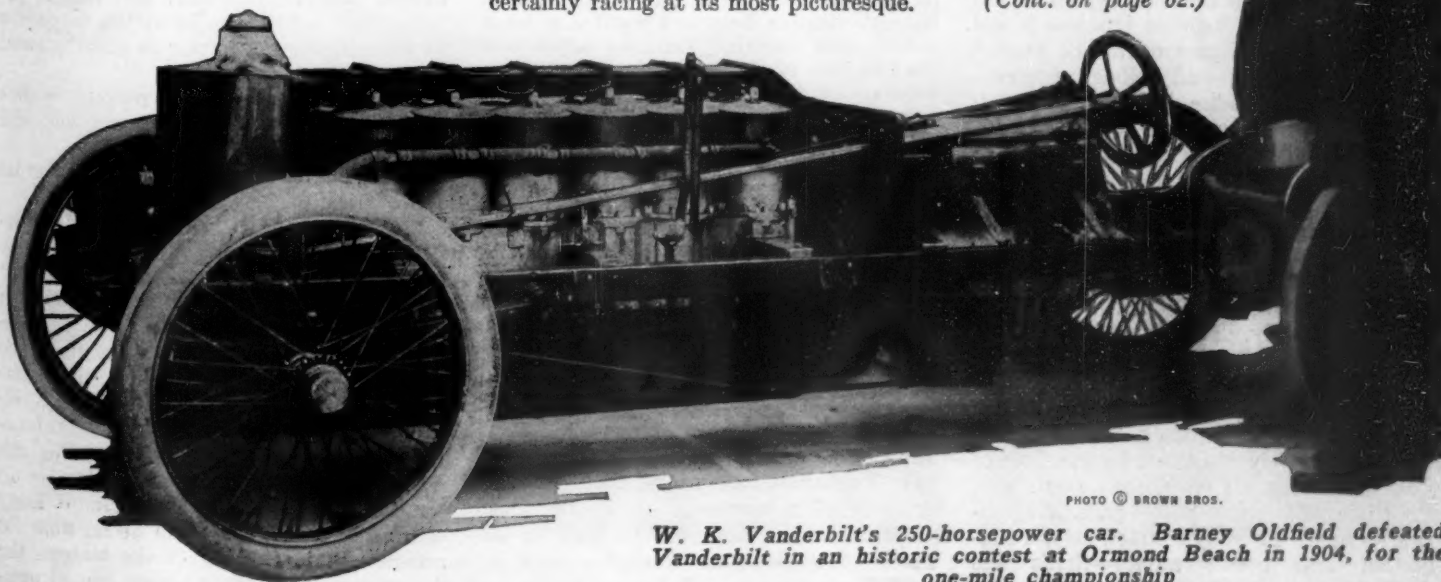


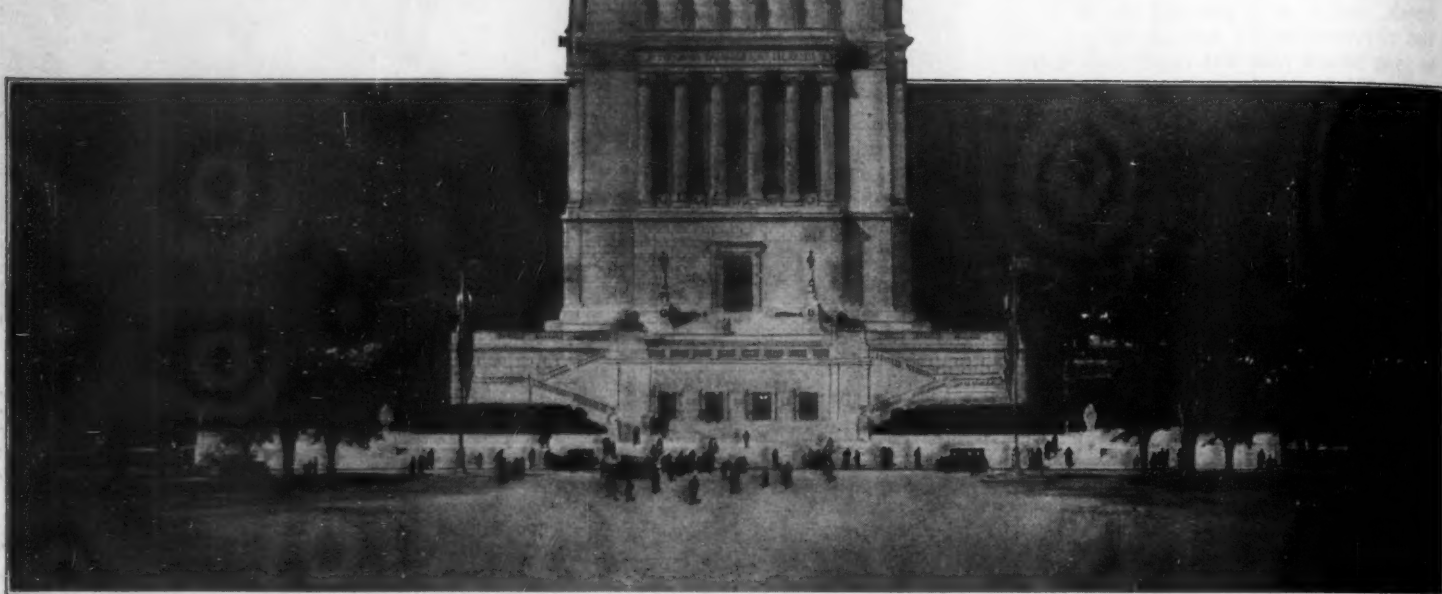
PHOTO © BROWN BROS.

W. K. Vanderbilt's 250-horsepower car. Barney Oldfield defeated Vanderbilt in an historic contest at Ormond Beach in 1904, for the one-mile championship

The City's the Business of Business

In a spirit of cooperation, Indianapolis business men take a hand in mapping out the city's financial policies and budgets.

By CHESTER LEASURE



Comes a problem great and trying,
Grave Committees sit perspiring,
They must solve the thing somehow;
Then you hear a voice inquiring:
"What's Will Fortune doing now?"

ANSWERING the Hoosier poet's question, William Fortune, just now and for some years last past, as the lawyers say, is and has been directing an experiment—an experiment to discover just what the organized business of a city can do about taxes. Indianapolis, thriving center of Indiana cultural, industrial and political life, is the laboratory.

William Fortune, chairman of the civic affairs committee of the Indianapolis Chamber of Commerce, believes business is not merely that which goes on in the market place, the making and selling of goods, wares and merchandise, but includes everything that concerns folks. "If," says he, "there's too much government in business and not enough business in government, it's largely because business fails to use its power intelligently."

That's the keynote of the Indianapolis experiment—the intelligent use of the power of organized business; not as a bludgeon, but cooperatively. There's none of the professional reformer's hue and cry. The Indianapolis experiment is carried on with the paraphernalia at hand. It's a practical experiment in cooperation between business and the regularly constituted authorities of the community. That doesn't mean that the Civic Affairs Committee goes into politics, as such. Friendly contact, helpful suggestion and sound advice—that's the method.

"What's it getting for Indianapolis?" I asked Mr. Fortune.

"Read this," he said, handing me a letter from Charles L. Barry, a member of the Indianapolis Board of Education. This is what I read:

It is my opinion that as a matter of simple justice the Indianapolis Chamber of Commerce must receive credit for having brought to the Board of School Commissioners suggestions and recommendations, the adoption of which made possible a reduction in the proposed tax rate of \$1.36 to \$1.10, which was finally adopted, without the slightest reduction in the essential building or operating programs. As chairman of the Finance Committee, responsible for the formulation of budget estimates, I am in a position to know exactly how valuable were the services of the Chamber of Commerce through its Civic Affairs Committee and Mr. Harrison, the committee secretary.

Other individuals and organizations urged the necessity of adopting these recommendations, but not until after they had been presented and considered favorably. In my opinion the results were obtained through the good offices of the Chamber of Commerce, as I am confident that no other representations to the board were of such constructive assistance.

Business Can Cut Taxes

THERE it was. Tangible evidence that business can do something about taxes other than hold grand lodges of sorrow and pass lugubrious resolutions about them—evidence of a sort to convince the most skeptical of the numerous progeny of old Thomas, the Doubter.

"Tell me some more," I urged.

"Let's call Will Book," said Mr. Fortune.

So William Book, secretary - director of the Civic Affairs Division of the Indianapolis Chamber, enters the scenario.

"Will can show you," said Mr. Fortune, after the rites and amenities of presentation were performed, "that the committee's activities have annually saved Indianapolis taxpayers upwards of \$1,500,000 during the last three years through its close scrutiny of governmental financial proposals, and that it obtains other large benefits to the taxpayers by effecting improvements in governmental operation."

It's too long a story to repeat. Suffice it to say that Mr. Book could and did convince me.

"How does your committee put over its stuff?" I asked.

"Mr. Book can tell you," said Mr. Fortune.

And this is what Mr. Book told me:

"Continuous, not spasmodic, study of municipal affairs, perhaps, is the real secret. Recognizing that a municipal budget cannot be understood or criticized constructively—and the department has always tried to make its criticisms constructive—by attention only during the one month of the year when the budget is up for consideration, or by last minute hasty conferences when there can be no time for accurate understanding of the budget, the department has made it a year-around busi-



ness to keep informed on all municipal proposals, on all municipal expenditures, on the continuous operation of municipal departments under budgets in force.

"By keeping up to date on municipal affairs, it has won a reputation for thorough knowledge and sound judgment in municipal financial problems. It has avoided a cheese-paring policy that so easily develops from haphazard consideration of municipal finances. In no sense of the word is it a sniper, trying to pick off an item here and there just for the sake of saying 'we cut your taxes.'

"It has no formula to urge as better than another. It has found success in obtaining the services of an expert in municipal affairs, as director of its activities; in conducting its research of governmental problems through him, but in maintaining a committee of fifty men active in the business life of the community to provide a forum for discussion of these problems, to develop policies and in its discussion to obtain community support.

"Of course, it has abstained from participation in the selection of officials. Its task is to work with the selected officials to bring about efficiency and economy, those rarest of qualities in government.

"With this as its goal, here are some of the things it has accomplished:

"It has brought about the adoption by the state accounting agency of a system of uniform practice in budgets to prevent padding and to do away with the lump sum estimates hitherto submitted by some departments. This is an aid to civic organizations desiring to understand public budgets, and through the new understanding have come large savings of money.



"It has continued, year by year, to keep informed on the financial situation, the expenditures and proposals of every department of government operating

in Indianapolis. In one year, 1924, original estimates of departments were reduced by \$1,500,000, equivalent to 25 cents on each \$100 of taxable property, and the civic affairs department had the important share in obtaining this result. In the next year, the department showed officials of the school city, first, how many proposed expenditures could be eliminated, and then how part of its building program could be financed without adding to the tax burden. More than \$1,600,000 was saved in these reductions, and all the program regarded by the school officials as essential was made possible. In the next year, not only was there a saving of hundreds of thousands of dollars in some governmental units, notably the civil city, below proposals of expenditure made, but with most of the governing bodies earnestly desiring tax reduction, a total actual reduction below the preceding year of 20 cents on each \$100, or about \$1,200,000, was effected. Study of the 1928 budgets now is under way. The department expects to continue its record of savings to the taxpayers and increasing economy of government.

Many Chances for Economy

"IT HAS obtained the adoption of the civil service system in appointment and promotion of policemen and firemen, the first instance in the history of Indianapolis of use of the merit system in public employment. Under the new system there are vast possibilities both of economy and greater efficiency.

"It has pointed out ways of increasing the efficiency of the police department to provide for a growing city, without materially adding to the personnel of the department, as had been proposed, preventing an increased annual expenditure of \$200,000.

"It has led the movement which resulted in legislation diverting approximately \$100,000 annually of fees and improvement fund interest from the pocket of the county treasurer to the public treasury.

"It has brought about a change in the law to permit an annual saving of \$90,000 spent for county institutional costs.

"It has kept watch over all legislative proposals affecting municipal government, obtaining enactment of some beneficial changes, and opposing passage of objectionable bills."

Not the least of the department's problems is that of getting its reports and recommendations before the public in such a way as to enlist public support. Special attention is given to this in the Indianapolis experiment. The public is kept fully informed of the deliberations and actions of the department. There are no "star chamber" sessions.

The department takes the view that, because it is concerned in public business, there can be no secrets in any consideration of public affairs. It courts fullest publicity of its activities.

Let Mr. Book go on with the story.

"The Indianapolis experiment," he told me, "has grown up under the guiding hand of William Fortune. Originator of the organization that now exists as the Chamber of Commerce, he conceived it to be the duty of that organization to be a leader in civic development. Many years later, when he was called to reconstruct the Chamber's participation in civic problems, he undertook the creation of the civic affairs department as it exists today. Leonard V. Harrison was brought from the New York Bureau of Municipal Research, and he served three years as director of the department, leaving last January to become associated with the Laura Spelman Rockefeller Foundations."

Mr. Book succeeded Mr. Harrison. He had served a year as assistant to Mr. Harrison.

But over it all is the vision of the chairman, William Fortune. His clear-cut conception of the chore is first to get a complete picture of the civic needs of Indianapolis, then by tactful presentation to win the support of the constituted authorities.

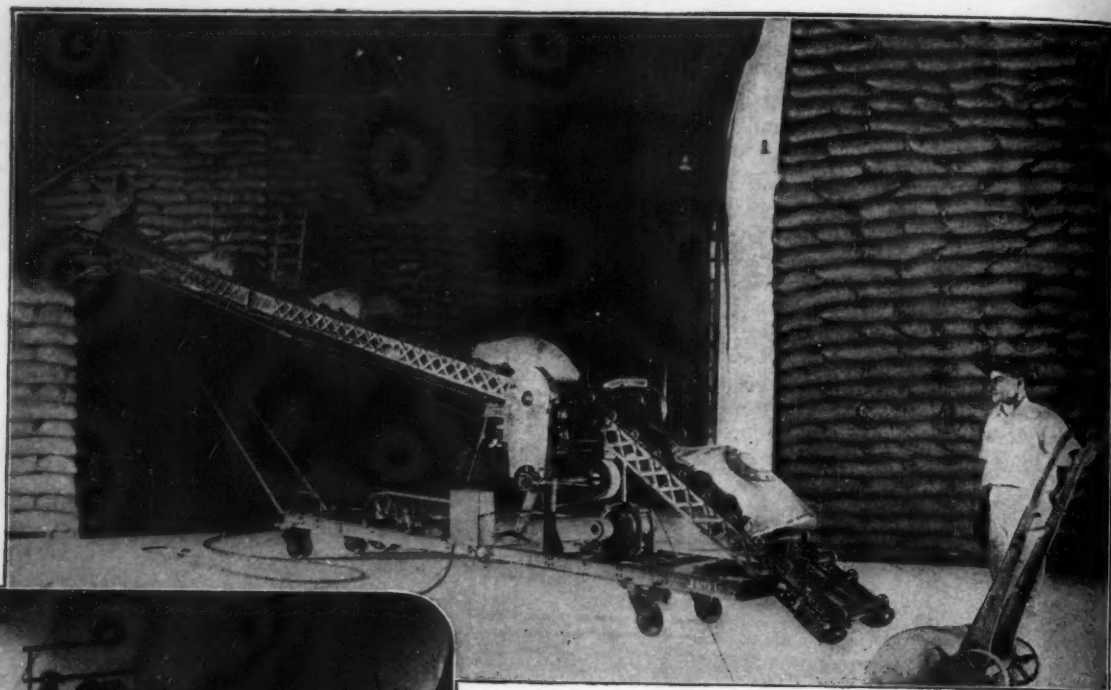
Simple, and, by its fruits, effective.



The range of interest of business men in civic affairs is well shown by these pictures. On the opposite page is the Indiana War Memorial at Indianapolis, and above is the city reduction plant. Organized business cooperated in both cases

Stacking sugar bags. Look at the pile on the right and wonder how much muscle would have gone into the task just a few years ago

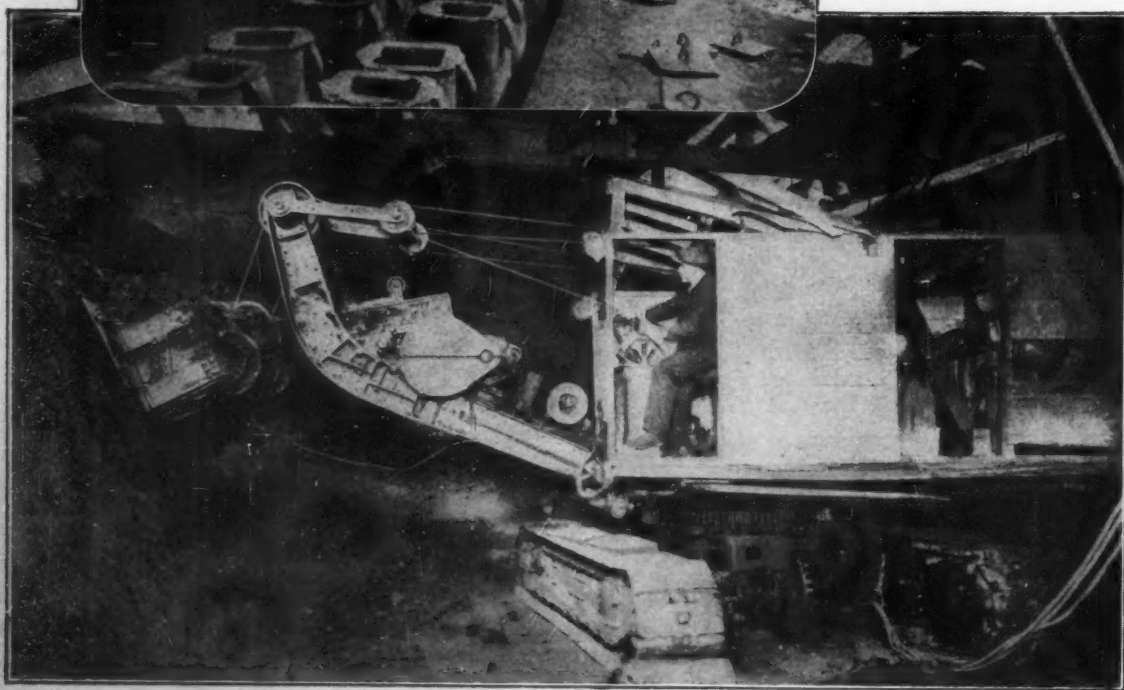
PHOTOS COURTESY
GENERAL ELECTRIC



No longer "the man behind the hoe" but the man behind the power



Center: A steel mill where a mighty pot of molten metal slides along to fill the mold. Notice that there are just two men in sight



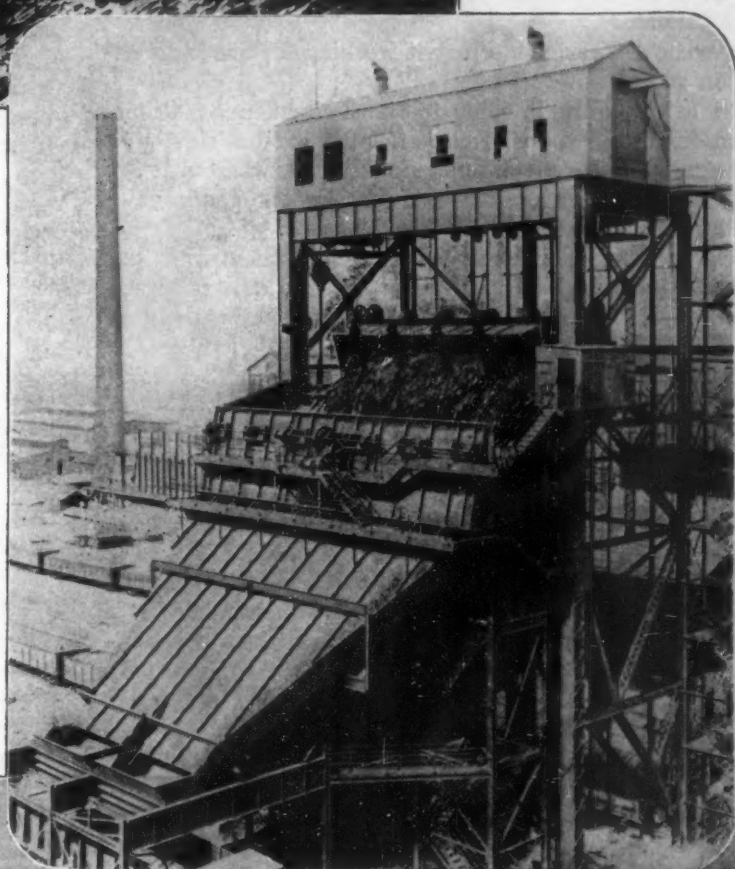
Left: To this day men watch that marvel, the steam shovel, and the older watchers see a file of tired men plodding up a plank, pushing wheelbarrows. Here's one that works underground



In far-off Bolivia tin ore is carried across a valley in the Andes. The glaciers and terrain make manpower alone useless

A generation ago men dug ditches by hand and carried hods of brick up ladders. Now machines do both. Here are some striking instances of power guided by man in place of manpower. Steam and electrical power coupled with man's ingenuity has lifted the burden from man's back

Center: A hundred-ton freight car picked up and moved over by a machine. Once men with shovels and barrows worked for hours to do what a minute does now



Right: A mountain of logs to be moved, not by hand, not even by faith, but by a machine that displaces hundreds of men for more human work



NATION'S BUSINESS

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MERLE THORPE, Editor

Washington

October, 1927



*If it is not for the public good,
it is not for the good of business.*

Who Benefits?

DOLLARS and brains are working in the laboratories of the trade associations. Who benefits? Every trade association executive must ask himself that question. Every trade association executive finds himself wondering if his members are making real use of the knowledge put at his disposal.

Who benefits?

Here's the answer as a scientist working for one large association gave it:

"Part of my work is going to the regional and national conventions of our association and I have found this: that the men who go to conventions and who bear the burden of the association work are the men who get the good out of our laboratory work.

"They learn to listen and to ask. They know what has been and what will be done. They find the dollars in scientific research. They are the men who know the real worth of the association."

Conventions a waste? There's the answer.

The Anti-Trust Laws

THE NEW competition, the business strife between industries and men rather than between individuals, eventually leads to group action, to the increased need of the trade association and to the massing of smaller units into larger ones. This is in brief the trend which O. H. Cheney brilliantly describes in the opening article in this number.

But what are the powers and the rights of these new consolidations which form to answer the new competition? One need not be old to recall the outburst of trust forming and "trust busting" in the early 1900's.

We have a Sherman Act and a Clayton Act to regulate the so-called "big business." Do they satisfactorily meet existing conditions? That's a question sure to be asked. President Coolidge, according to the *New York Times*, has already asked it and may have some suggestions to make in his next message to Congress.

The Department of Justice has in mind changes in the law. The Secretary of the Interior wants combinations of oil producers permitted to prevent waste. The Secretary of Labor wants some sort of compulsory consolidation of soft coal mines under a government director. Both Mr. Work and Mr. Davis explain that the Sherman Act must be changed in order to carry out their plans.

One thing is certain. If once we start to tinker with the Act there will be no lack of tinkers. Washington would be full of folks with Anti-Trust laws that would prevent everything and permit everything.

Today's Great Need

"ARE there great men today?" asks Emil Ludwig, historian, in a recent issue of the *New York Times*.

"Yes," he says, and names four—Shaw, Mazaryk, Ein-

stein and Edison. No business man among them, no artist, no clergyman, no explorer. An inventor, a pure scientist, a statesman, and a dramatist.

It may be that no business man deserves a place, but the impress left by business on this world of today is great. Mass production, the department store, wide credit extension, perhaps no one man can have the credit, but certainly these and other developments in business have done much to alter the current of life.

"The greatness of our epoch is to be found in science and technical achievement," says Mr. Ludwig, in explaining why there is no historian or philosopher in his quartette. He might have also explained that the lack of a theologian is due to the changing state of mind of this country and Europe towards religion. We have turned more at this moment of the world's history to science than to revelation.

Certainly the clergyman does not play the part in the every-day life of humanity that he did in New England when John Cotton, a founder of Harvard College and a preacher to the students, laid down the first code of business ethics.

Owen D. Young told the story in his address at the dedication of the new buildings of the Harvard School of Business Administration. That code is worth printing and here it is:

(1) A man may not sell above the current price, i. e., such a price as is usual in the time and place and as another (who knows the worth of the commodity) would give for it, if he had occasion to use it. . . . (2) When a man loses on a commodity for want of skill, he must look at it as his own fault or cross and therefore must not lay it upon another. (3) Where a man loses by casualty at sea, it is a loss cast upon himself by providence, and he may not ease himself of it by casting it upon another; for so a man should seem to provide against all providences, that he should never lose; but where there is a scarcity of a commodity there men may raise their price; for now it is a hand of God upon the commodity and not the person.

A committee of clergymen drawing up a code of ethics for a trade association would be today a surprising sight.

An Air Rival to Parcel Post

ON LAND, the delivery of first-class mail is a government monopoly. None may compete with it. For second-class mail and for parcel-post business, freight and express contest.

Now the express business has taken to the air. The American Railway Express Company is undertaking to carry packages from coast to coast in thirty-two hours and from Dallas to Chicago in eleven hours.

The contest for small package carrying will be direct with the Federal Government. Small packages have been sent by first-class mail in government contract planes. In the future apparently such packages may be sent more cheaply by express. At present government contract planes carry packages and sometimes passengers in addition to the mail. With this business the new express service will come into sharp competition.

The Center of Industry

INDUSTRY in this country has always centered in the northeast. South and west have grown our cotton and corn and raised our cattle. They fed and clothed us but they did not make our shoes or our wagons or our sewing machines.

Industry still centers toward the northeast but the pull is towards the south and west.

The Geological Survey which records the use of primary power in factories and public utilities figures from that

data our industrial center and puts it at about 50 miles southeast of Chicago. In January, 1908, it was on the northern boundary of Indiana about 110 miles east of Chicago. Ten years later, in 1918 it had moved 50 miles nearer to Chicago, but still on Indiana's northern boundary. In 18 years it had moved only about 75 miles south and west.

Meanwhile, the center of population has gone a little farther and faster and is in Owen County, southwestern Indiana, while the geographical center is near the center of the north boundary of Kansas. The latter center is 640 miles west by south of the industrial center while the middle of our population is 170 miles straight south of this new industrial center.

The Things for Which We Go Abroad

TO MOST of us foreign trade means out-bound cargo.

We all know that our farmers must sell abroad at least a sixth of their annual production; that our oil refiners annually send abroad at least a third of their oils and that many another of our big industrial units must find a foreign market for at least an appreciable portion of their wares. But this business of trading abroad is by no means a one-way affair. Ships that carry the products of the American farm and factory abroad bring back all the rubber, all the tin, all the manilla, sisal and hemp, all the coffee, cocoa; practically all the tungsten and manganese ores and the greater portion of the sugar that we require. These are but a few of the many of the items in the long inventory of things necessary to our welfare, that must come from abroad and must come in ships.

Our imperative need for a merchant marine adequate to the needs of our foreign business, both in and outboard, needs no re-emphasis here. That, too, is patent and well recognized. It is on this ground that our navy bases a part of its claim for recognition and for aid in its development.

The Folks That Live in Small Towns

"WHAT good," asked a momentarily despondent advertising man, "is there in inciting people to buy things which perhaps they don't want? Half the folks that buy the things I help to sell would be just as well off without them. What good is a radio except to bring into houses more noise, more jazz?"

And then he went back to his desk and found a copy of a letter to the maker of the radios which he advertised:

I am a little girl without sight. However, that does not keep me from enjoying life.

After leaving school, I spent three years at the Toronto Conservatory of Music. While there I heard most of the world's greatest artists. Then we came to C——. There are no musicians here. Living in a small town seemed absolutely hopeless, but now that I have a radio I don't mind it at all. I look forward to your programs from one week to the next. It means so much to me. The great artists thrill me through and through. I am so very grateful to you. Thank you a thousand times for making me so happy.

And in sending the letter to the man to whom he had voiced his complaint the advertising man added:

"Not a typical case? No. Few of us are blind? Yes. But many of us live in C——."

Bugaboo Estimates

ESTIMATING Treasury surpluses is a pastime in which the Treasury Department itself has by no means excelled. On one occasion a probable deficit for a fiscal year was put as \$822,000,000 and the year ended ten months later with a surplus of \$309,000,000. In the fiscal year last ended, estimate surplus ranged from \$186,000,000 to \$385,000,000 but the result turned out to be some \$635,-

000,000 surplus. Almost uniformly the surplus has been more than double that predicted, even when the estimate was made close to the end of the year. Congress itself has paid little or no attention to such estimates. In its last revision of taxes, it made cuts exceeding the predicted surplus.

It is well to bear these things in mind in facing a proposed tax revision which should lower our corporation income tax and wipe out the war excise taxes. Talk of a surplus of \$200,000,000 on next June 30 may mean anything or nothing. If there be a fear of a deficit resulting from the cut in the corporation taxes and the elimination of the excise taxes, remember that these cuts would use up only about two-thirds of last year's surplus—less if some of the rates are not made applicable January 1, next.

A Vain War on Eggs

OUR respected fellow-publication, *Chickagrams*, the house organ of an incubator maker, reports a new organization and a new enemy of the great American hen.

It has dragged out to public scorn the American Association Opposed to the Eating of the Egg. The A. A. O. E. E. finds that egg-eating is barbarous, little short of cannibalistic. Fried, poached, shirred, and most of all soft-boiled, the egg is an evil thing, evil to eat and not less evil to look upon. Let us, cries the A. A. and so on, put down or rather put away the egg. It invites us all to join, says *Chickagrams*, and demands no dues. An admirable society in that last respect.

But *Chickagrams* is ready with the always-ready weapon to an attack on any food—the vitamin. The egg is running over with vitamins, vitamin A and vitamin D. An egg a day will keep two doctors away. Vitamin D is found largely in cod liver oil and in egg yolks, and at the risk of offending the A. A. etc. and the cod liver oil industry we go on record as saying that we prefer eggs to cod liver oil.

But the egg industry need not be disturbed. In the last few years our annual egg consumption has gone up from 15.2 dozen per capita to 17 dozen. And if little Johnnie is good at arithmetic he can multiply 12 by 17 by 117,000,000 and tell you how many eggs the United States consumes in a year.

Where Business Can Rule Itself

THE Railway Labor Act abolished the Railroad Labor Board in 1926 and laid down a program for mediation and arbitration which gave to railroad managements and railroad employes every opportunity to settle their disputes without the help of government. The Act is now a little more than a year old.

Thus far it has worked without a serious hitch. Yet it has not perhaps passed its severe test. Both the roads and the employes have frequently pointed out that the success of the Act depends on a continuation of voluntary cooperation between both sides. If that spirit of cooperation should fail, and we do not believe it will, a grave blow would be dealt to self-government in the railroad business.

The railroads and their employes have under the Railway Labor Act a fine opportunity to carry out the program which Julius H. Barnes set forth in his "Answer to Mussolini" in the September number of *NATION'S BUSINESS*. The way to keep a Mussolini out of the American railway industry is for railways and railway workers alike to continue to show that spirit of cooperation which shall render an appeal to government unnecessary. The specter of a government board with power to fix railroad wages is no pleasant thing for the railroads, the workers or the public to contemplate.

Why Our Factories Cross the Border

*There Are 1,400 With Branches in Canada,
Here's the Answer to "What Took Them There"*

EVERY "Go-Get-a-Factory" Campaign in Canada includes an appeal to United States manufacturers. There is hardly an American industry that has sold one pound or one yard of its product in Canada which has not been "campaigning" by some city, bank, Chamber of Commerce or publication in Canada to build a factory north of the Great Lakes.

Somewhere in the neighborhood of 1,400 American manufacturing concerns have established branch factories in Canada. Most of these were established during the war and immediately after. No less than 200 were established in one year alone—1919.

A Period of Expansion

THAT was not a period of business normalcy for Uncle Sam. American industry had expansive ideas between, say 1917 and 1920, and many corporations had much money to spend and good reasons (high taxation, for one) to spend it.

Are Canada's 1,400 branch plants its lucky share of the plums that fell from the easy money tree? Or were they logical, sound extensions of the producing equipment of American industry?

This not being a "Daily Quiz" where the answers will be found on page so and so, let us answer the questions now, even before we start to discuss this question of why American industries have dotted another country with factories.

Good times, easy money and big ideas did put many of those plants across the border. But sound economics is keeping them there and leading, from time to time, to the establishment of others.

Canada Similar to United States

ECONOMICALLY and socially, Canada may be considered as a northward extension of the United States." The government official in Washington who wrote that in a published bulletin of the United States Department of Commerce started a furore of protest in Canadian papers. But looking at the question as he was looking at it when he penned the sentence, it is correct.

Three billions of Uncle Sam's money in Canada attests the economic penetration by American citizens; magazines, movies, styles, and purchases of \$600,000,000 yearly of American merchandise indicate some social influence upon Jack Canuck.

These 1,400 branch factories represent a phase of that economic penetration.

But it is significant that few of these factories have been built in the past five years. Here is a story of one factory built just when the wave of branch plant construction was receding:

Five years ago, two and a half million dollars was spent in the city of Hamilton, Ontario, to build a modern factory to manufacture glass under the Libbey-Owens

By **FLOYD S. CHALMERS**

Managing Editor, The Financial Post, Toronto

patents. While most of the capital was supplied by Canadians, the plant was virtually the Canadian plant of the Libbey-Owens Sheet Glass Company of Kankakee, Ohio. After operating a few months, the factory shut down. Every employe was dismissed, the doors and windows were nailed up and the plant has remained idle ever since.

The hand that nailed up the factory was the hand of currency depreciation. The Belgians were able to beat the Canadian factory in the Canadian market.

Canadians are disquieted by incidents like this. For years they have tried to convince American business men of the advantages of doing in Canada their manufacturing for the Canadian market and for the whole British market as well—a market that comprises 450,000,000 people.

The Libbey-Owens experience and the slowing up of construction of similar factories raises, as a very live question:

"Is it profitable for an American manufacturer to manufacture in a Canadian plant?"

Reasons for Canadian Branches

PRACTICALLY all who have established Canadian plants say that it is.

Everett R. Smith, of the Fuller Brush Company, told me: "Yes, we have to make our brushes in Canada for the Canadian market. We can not climb over a 35 per cent tariff wall."

R. L. Wright, vice-president of the Wahl Company, thinks branch plants are necessary and advisable when the Canadian tariff is unduly hostile or where export trade to the British Dominions is sought.

Henry Ford has \$30,000,000 invested in Canada. International Harvester employs 3,500 people in Canada.

General Motors Corporation shows its opinion by spending up to a million each year in addition to their enormous Oshawa, Ontario, plant where are manufactured automobiles not only for Canada but for a dozen or more British countries.

In that last sentence you find the compelling reason, the final determining factor, why many American manufacturers have built Canadian plants. It is the system of preferential tariffs that is being built up in the British Empire.

Says Thomas A. Russell, president of the Willys-Overland organization in Canada: "I do not believe a United States Company would invest in a Canadian plant today for the purely Canadian demand; but the advantage of export to British preferential countries would be an important determining factor in their decision to come to Canada."

On the other hand, we have an opposing view from a man who has probably done more than any other single individual to induce American manufacturers to build branch plants in Canada. He is F. Maclure Sclanders, now commissioner of the Saint John, New Brunswick, Board of Trade, but formerly commissioner of the Border Chamber of Commerce during the period when the Canadian border cities opposite Detroit induced some scores of American companies to open manufacturing or assembly plants in their community.

British Preferential Tariffs

MR. SCLANDERS is as emphatic as Mr. Russell on the other side of the question. I asked him:

"Do our British preferentials constitute an impelling inducement for the establishment of United States plants in this side?"

"Flatly and absolutely they do nothing of the kind," was his reply. "In most cases the lower cost of production in the United States more than offsets the present British preferentials granted to commodities manufactured in or exported from Canada."

Now how can such divergent views arise? What is the truth of the question regarding the British preferential tariffs and the American manufacturer.

It is easy for me, after having looked into this question from many angles, to see where the apparent conflict of opinion arises. Mr. Russell is looking at this question from the viewpoint of his industry, the automobile industry; Mr. Sclanders is thinking of the industry of manufacturing as a whole. The situation regarding the British preferential tariff is simply this:

In a few restricted fields of manufacture, including those of automobiles, tires and electrical apparatus the preferences granted by the different countries in the British Empire are extensive enough to be a very important factor; sufficient to be the winning argument with the American manufacturer when he is debating whether or not he should export to British countries from his American factory or erect an additional smaller factory in Canada to supply the Canadian market and from which to export to other British markets. But in the case of the great mass of manufactured articles, the sum total of the benefit to Canada from the British preferences is so small as not to be sufficient to offset the economies that can be effected from mass production in a gigantic American factory.

Individual Studies Needed

THUS it becomes necessary for each American manufacturer, considering the advisability of establishing an export branch plant in Canada, to examine the existing British preferences on his own commodity and weigh their value in relation to his pro-

duction costs. Every manufacturer does not do this. One large manufacturer of electrical refrigeration machinery opened a Canadian plant recently. When it did so it handed the whole British market over to the Canadian plant. That market in a short space of time, has proven to be enormously valuable to the Canadian plant. One order alone from a London, England, contractor amounted to 2,500 machines. Yet subsequent studies have revealed that the British preferential tariffs throughout the Empire are of very little benefit to the Canadian plant; cannot at all be regarded as a final point upon which to base a decision.

"Buy British Goods"

THE executives of the company had two things in mind when they gave the British market to the Canadian subsidiary company. First they recognized the strong tendency of the Britisher to buy Empire-made goods. This tendency is being fostered by the expenditure of \$5,000,000 yearly in Great Britain alone by the Empire Marketing Board and by the publicity work of other countries in the Empire.

that has already put some American products out of the Australian market and put in their place Canadian products or the products of Canadian branch plants of American companies. The British West Indies and Canada have just signed a trade treaty.

England is swinging around to the practice of protection. The recent Churchill budget took a few more items off the free list and swelled the total of articles that can no longer enter England duty free. In each case a preference of one-third was given to Canadian products. Year by year the total of dutiable articles grows and always there is that one-third reduction in the duties for goods coming from countries in the Empire.

While many people are ready to face the immediate truth that Imperial preferences do not constitute a compelling reason why every class of American manufacturer must manufacture in Canada to capture All-Red trade, the American industrialist has to consider that year by year the situation is changing and if present tendencies continue line after line will be added to the list of those that can be better manufactured in

Canada for Canadian and Empire trade than in the United States.

There is the big factor in the present situation; the factor that American business men have to consider.

All American branch plants in Canada do not manufacture their finished product completely from raw material to salable article. Many of them are merely assembly plants; a sore point with some of the British Dominions, who have protested that when they grant preferences to Canadian firms they are merely granting preferences to Americans in disguise.

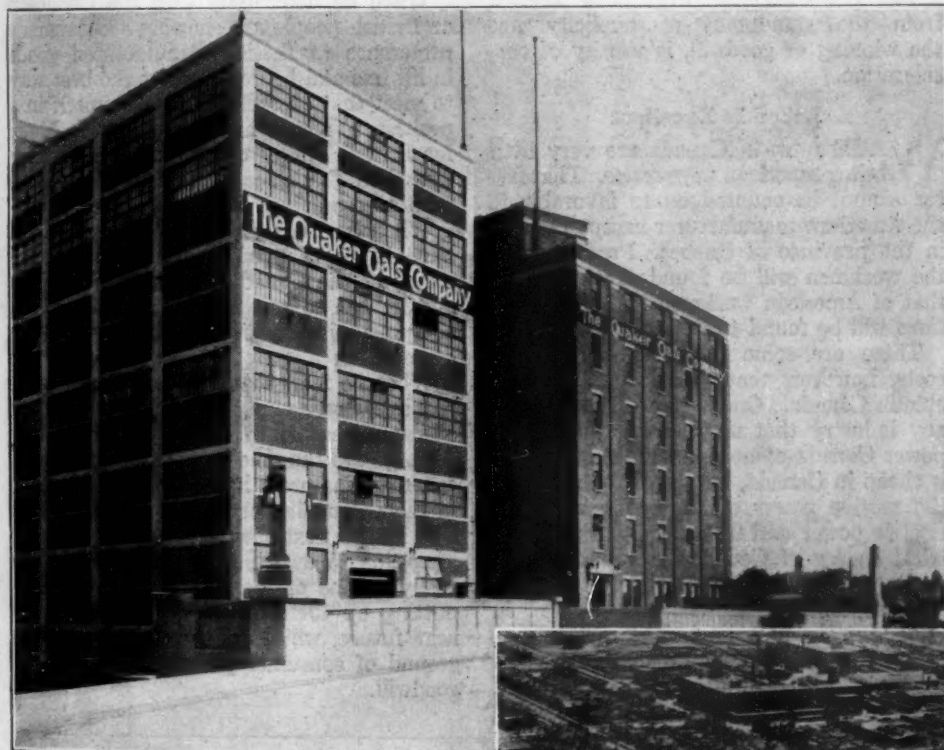
Assembly Plants Popular

THERE will always continue to be assembly plants across the line. Consider the manufacturer of electrical refrigeration machinery, for instance; he can afford to make cabinets in Canada; cooling coils, piping, wiring, etc., can be profitably made there. But his market, taking both Canada and the British Empire together, is as yet too small to make it profitable for him to attempt to manufacture the highly intricate refrigerating unit there. He can best bring the individual parts over from the United States and put them together in Canada.

Similarly with automobiles; speedometers, engines and a dozen and one specialized parts of that nature will, for many years, continue to be made in large measure in the States and merely assembled with the other units in Canadian assembly plants. Only one automobile engine—the Ford—is now manufactured entirely in Canada although there are eleven automobile manufacturers; ten of them branch plants of American companies.

Of course, Canada and the other British countries are doing their best to hold to the minimum this tendency to assemble only. Some British countries require that 75 per cent of the work done must be British to share the preference. The standard varies

Part of the three billions of American money invested in Canada. The Peterboro, Ont., branch of Quaker Oats, and the Ford plant at Ford, Ont. They are American branch plants, but still just as much Canadian institutions



PHOTOS COURTESY CANADIAN NATIONAL RAILWAYS

And, secondly, they were looking forward to the day when greater economic solidarity will have been achieved in the Empire.

The American manufacturer will be wise to watch this growing tendency to Imperial economic solidarity among the British. The idea of free trade among the constituent parts of the British Empire, with high tariff walls against the outside world (Continental Europe and the United States, chiefly), has many advocates.

It is a rather far-reaching theory for early acceptance, but a middle ground is rapidly being reached. Canada and Australia, after years of disagreement, have entered into a mutual trade agreement



throughout the Empire. Canada itself now requires that 50 per cent of the cost of the finished automobile must represent Canadian effort before certain important drawbacks of customs duty can be obtained. The immediate result of the recent coming into force of this provision was the reopening by General Motors of its large parts plant in Walkerville, Ontario, that had been closed for several years and the expenditure by General Motors of half a million dollars on a new factory at Oshawa.

Our discussion finally brings us down to this statement of fact; it is already profitable for American manufacturers in many lines to manufacture in Canada; it is becoming increasingly profitable daily for manufacturers of scores of other lines to do the same thing.

Canadian Market Growing

I HAVE so far in this article talked almost entirely about the British Empire market because this is the most significant and interesting phase of the question. But the Canadian market itself is an important factor removed entirely from its contact with other British markets.

Canada has more than nine million people today, people with standards of living just as high as those of the American people; with tastes that are similar to American tastes; people who read American magazines (too many, some Canadians think); who see American movies almost entirely; who visit American cities regularly; who have relatives all over the United States (for there are some 2,000,000 Canadians living under the Stars and Stripes), and who are growing in wealth almost as rapidly as the American people.

If the American manufacturer is going to sell in Canada he cannot do it better than by setting up in Canada an organization that is, on a smaller scale, a duplicate of his American sales organization. That means a factory, a sales organization, Canadian workmen and salesmen, at least a few Canadian executives who know the field; perhaps, even a Canadian advertising agency. This is not pure theory; this is a story of how the American manufacturers who have been most successful in Canada, have gone about their job of building Canadian trade.

He may even raise part of the capital for his Canadian plant in Canada. Com-

panies like Kelvinator of Canada, Good-year Tire, Dominion Rubber (U. S. Rubber subsidiary), Canadian Fairbanks-Morse, Canadian General Electric, Durant of Canada, Sherwin-Williams have all sold securities of their Canadian companies in Canada.

Investing Power Grows

CANADA is now a large investing nation, even though it is still drawing immense amounts of American and British capital for investment.

It welcomes the opportunity of investment in branch plant organizations and when the Canadian owns stock in one of these industries he views it as a Canadian industry even though control may rest in the United States.

The Canadian welcomes the economic penetration of Americans. The fact that Americans have \$3,100,000,000 invested in his country, representing a mortgage of 12 per cent on the total national wealth of the country, gives him no concern whatever. Even if the American manufacturer establishes his plant in Canada without the investment of a single dollar of Canadian capital he is assured of welcome.

But the Canadian investment interest, from the standpoint of publicity and the winning of goodwill, is worthy of consideration.

Labor Is Excellent

WAGE rates in Canada are very little below American wage scales. That factor cannot be counted on as favorable to the American manufacturer except perhaps in the province of Quebec. Production of the workmen will be found fully to equal that of American workmen and labor relations will be found to be excellent.

There are some factors in production costs, however, that are distinctly favorable in Canada. One is that of power. To any industry that uses a large amount of power Canada offers opportunities. Power is cheap in Canada, because 70 per cent of the motive power of the entire nation is electric power and 97 per cent of the electrical energy of Canada is produced from water power.

Transportation costs are cheap in Canada. The average freight revenue per ton mile of Canadian railroads is probably the lowest in the world; less than one cent.

The fact that Canada offers an abundant supply of easily available raw materials of practically every description and far from the point of depletion is also important.

"At what exact point does it become profitable to establish a branch plant in Canada?"

An American asked me that question. The answer must be general because the specific answer is different with each industry. But my general answer is this:

It becomes profitable for the American industrialist to buy or erect a branch plant in Canada and set up a strictly Canadian sales organization when he reaches any of these milestones in the development of his Canadian trade;

When to Build a Branch Plant

WHEN his sales in Canada reach the point that production of the necessary amount of goods can profitably be concentrated in one plant;

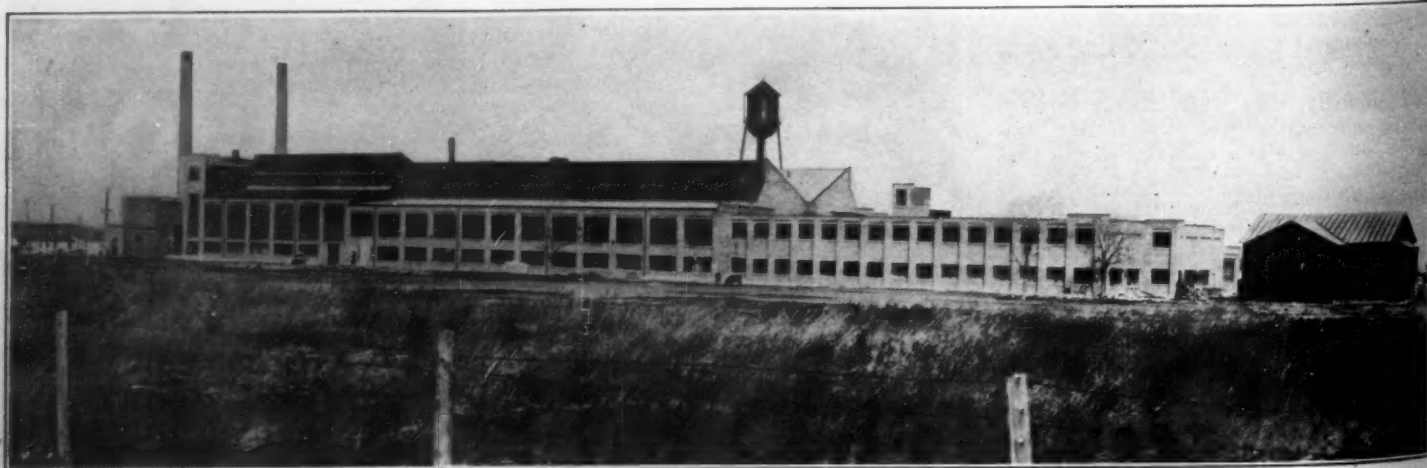
When he finds that his attempts to get into the 450,000,000 market of the British Empire is being hampered by tariffs that are more favorable to British manufacturers in Canada and to other British manufacturers than to American manufacturers;

When he determines that the Canadian or British people are showing a consumer's preference to British manufactured goods in his line and he decides that the best way to meet that obstacle is to put himself in a position to stamp his goods "British Made for British Trade" or "Canadian Made for Canadian Trade" just as many of his competitors are doing;

When he finds that his American goods have to be changed to meet the requirements of the Canadian or British markets and he has to put in new machinery and equipment in any event to meet those requirements;

When he finds that the Canadian market requires closer study and cultivation than absentee treatment can give it.

Those are the mile-stones. Many American manufacturers have not reached them in their Canadian or British Empire trade. But in the next few years many of them are going to anticipate their arrival eventually at one of these mile-stones and, by putting up their plants in Canada in the near future, will start to paint in a background of consumer preference and public goodwill.



A branch that started but soon shut down. Two and a half million was invested in this Hamilton, Ont., plant of Canadian Libbey Owens Sheet Glass Company, but after several months it closed due to depreciation of Belgian currency



"Chinese agree that the cooperation of the foreigner is indispensable to the welfare of trade"

What Gunboats Mean to China

By MASON LEE

Illustrations by Gordon Grant

A FRIEND who reads the news from China with intelligent interest remarked recently: "I for one shall be glad to see the foreign business man forced out of China so that the Chinese will have a chance. Foreigners have taken the best jobs in China long enough. Let them get out and give the natives a chance. China for the Chinese!"

Perhaps it is not unfair to assume that this is representative of a large body of American opinion. "We would not want foreigners to run our country; we should step out and let the Chinese run theirs."

So well informed a man as Senator Borah, of the Foreign Relations Committee, is, or ought to be, in foreign affairs, is credited with coming out quite flatfootedly and saying, "A China free from foreign exploitation would aid . . . world trade." From the context it seems clear that by "foreign exploitation" Mr. Borah means the activities of foreign business men and warcraft in China.

That is to say, if the foreign business men and warships would get out of China, the Chinese business men, relieved of this killing competition with foreigners, would be better able to succeed in developing commerce and industry.

This sounds reasonable, but is it true? Let us see. To begin with, it is a notorious

fact that few people in China believe such a thing. No missionary and no foreign business man with whom I have talked in traveling up and down that great country evinced any confidence whatever that trade and industry worthy the name could survive at all without foreign aid, to say nothing of thriving better without it.

True, they may have been influenced in their judgment by selfish considerations. Everyone likes to think himself indispensable, and it no doubt tickles the vanity of the foreigner in China to think his presence is needed to keep the wheels revolving. Hence we will assume that it may be necessary to discount his statements.

But what do the Chinese themselves say? I have talked with many in all stations of life and do not recall ever listening to one (capable of an intelligent grasp of the subject) who did not agree that for the present at least the foreigner's cooperation is indispensable to the welfare of trade and industry in China and between China and the outside world.

These people, too, it may be contended, are possibly misled by self-interest; they

see their world of trade and industry and finance so bound up with foreigners' activities and they are so lacking in imagination that they cannot visualize anything else.

It may be of interest, therefore, to examine briefly into a few of the facts on which they base their belief. These facts are not "news" and are therefore left mostly untouched in cable dispatches. But they lie at the basis of an understanding of the news and of the future that is unrolling itself before our eyes in such dramatic fashion in China day by day.

Business Under Foreign Police

FIRST of all, taking it by and large, there has been no successful business carried on along modern lines in China; in recent years outside of the "area of confidence" inspired by the foreign "concession." To put it simply, all successful business in China today is carried on under foreign police protection. No factory, no knitting mill, no flour mill, no industry of any kind feels safe away from the protecting guns of what Mr. Borah calls "the old discredited gunboat policy of force." "Exploitation" is his word for it; those on the spot, both foreign and Chinese, call it protection.

Let us take Tientsin, for example, where the writer is at home (Shanghai or any

other port city would do as well), and see how this state of things developed.

From early times, foreigners in China had tried to carry on their activities—missionaries their teaching, business men their commerce and industry—but found their efforts seriously handicapped by powerful organizations already in the field, chief among them the officials.

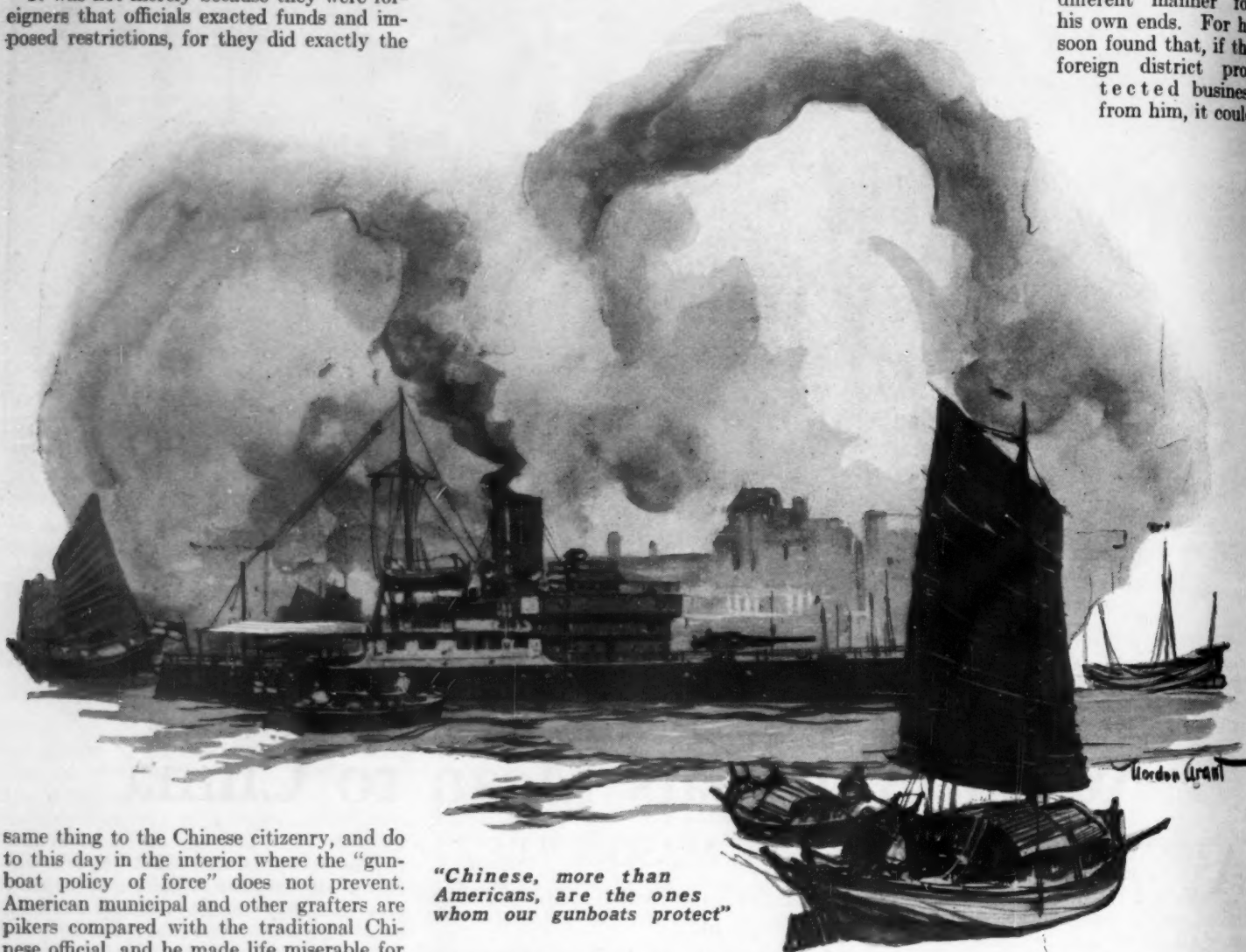
It was not merely because they were foreigners that officials exacted funds and imposed restrictions, for they did exactly the

which untruthful propaganda about a country so far away and so little known can be crammed into the unsuspecting minds of good Americans!

In case of doubt, ask the next missionary you meet returning from China—there are many of them, these days. Ask him a point-blank question, and he may squirm

France or the United States. He becomes automatically a plain citizen, his grafting ends at the border, and he knows it.

It was not long, however, before the magistrate, thus cheated of his traditional prey, ceased sighing over the loss of fat potential revenues from these districts thriving under foreign control and learned to use them in a quite different manner for his own ends. For he soon found that, if the foreign district protected business from him, it could



same thing to the Chinese citizenry, and do to this day in the interior where the "gunboat policy of force" does not prevent. American municipal and other grafters are pikers compared with the traditional Chinese official, and he made life miserable for the foreigners and Chinese alike before the days of the "gunboat policy."

Governmental "Interference"

ASSUME that you are running a store or factory in Chinese territory and are in a fair way to becoming successful. Along comes an agent of the local magistrate. He walks into your place of business and looks it over with an appraising eye. "Doing pretty well here, aren't you! Must be making close on to ten thousand a year. Well, where do we come in? Our office needs funds; we need five thousand. Come across before midnight or your doors will be sealed and yourself in jail. My compliments from our Magistrate Lu." The agent departs, and the business is half ruined. A few more visits, and it will be as good as gone.

Honest Chinese in their own country (and most Chinese are honest) will tell you that this is typical. In this country, if Chinese or others try to tell you something different, are you not at liberty to suspect that they are banking on the fatal ease with

"Chinese, more than Americans, are the ones whom our gunboats protect"

a bit (for most missionaries are ardent propagandists for these Chinese, as they ought to be), but, being conscientious, he will not deny the truth.

Now to escape these official and other grafters, the foreigner was soon driven to the logical solution—perhaps reluctantly, for it is contrary to the best western genius to take candy away from babes. He took over a small section of land on the river below the Chinese city. He stole it, if you like. Anyway it became to all intents and purposes a bit of France, or of England, or of Germany, or Japan, or Russia, and so on, as the case might be, for each of these countries and several others took slices, varying in size, near but not in the Chinese city of Tientsin.

Each of these little districts or "concessions," as they are misleadingly called, became, though only a few blocks in area, a municipality unto itself. Each has its own government (by foreigners!) and its own laws. A Chinese magistrate or his agent entering these foreign areas has no more official standing than he would have in

also protect him from his enemies.

Magistrates have sudden and disastrous falls from power in China, and at such times a place of refuge close at hand, yet beyond the reach of even the highest Chinese officials, is an advantage not to be despised. As a result of this line of reasoning, many a magistrate in recent years has kept his head between his shoulders by the simple expedient of buying in advance a house in a foreign district and retiring thereto with all speed when the blow was about to fall.

Chinese Choose Concession

THUS some of the real estate in the districts within range of "the old discredited gunboat policy of force" has fallen into the hands of Chinese owners—for cause.

Strange, isn't it, that Chinese magistrates in trouble should so love to hug the gunboats which Mr. Borah tells us are exploiting them!

And so it happens that grafter and victim sit quietly side by side under the flag of the foreigner. For Chinese business

for Economical Transportation

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houses, notably banks, could scarcely be expected to escape noticing how snugly the business houses, foreign and Chinese, located in the foreign districts, were sitting, secure from the woes that engulf business under Chinese rule, and soon purchased sites of their own in the foreign zones.

It is not difficult to visualize the world of difference which exists between being on the north side of Main Street, under Chinese jurisdiction, with all its attendant ills, and being snug and secure on the south side of that same street under the strong arm of the western doctrine of the square deal.

Public Graft Rampant

TO CITE an example, in 1915 or thereabouts, a powerful official in Peking conceived the ingenious scheme of withdrawing all the silver specie currency from the Government Bank, in its various branches, and depositing it to his personal credit in a foreign bank, repaying the loan with an avalanche of paper currency which he had had printed for the purpose. This simple ruse enabled him to retire a multimillionaire, said to be the richest man in China today.

When the branch banks in Tientsin received the order to ship all their silver to Peking, their American-trained managers saw through the scheme and foresaw the ruin it would bring down upon their banks, since, after the specie had disappeared, the notes could, of course, no longer be redeemed. But in spite of this knowledge, the manager of the branch bank whose place of business was in Chinese territory under Chinese control had no choice but to comply with the order, and his bank was ruined.

Another branch manager, however, since his bank was located in the French Concession (out of Chinese jurisdiction), calmly ignored the order and kept his branch solvent.

In 1912 the mint and banks and shops in the Chinese City of Tientsin were looted and burned by soldiers and rabble, whereas nothing in the adjacent foreign districts was touched, foreign troops preventing.

Instances all pointing in the same direction might be multiplied indefinitely. The result has been that Chinese business houses have flocked in ever-increasing numbers to the foreign areas, willingly paying fancy prices for this real estate, and at present much, if not most, of these areas is owned by Chinese.

Protection or Exploitation?

HERE is the irony of the situation: America sends gunboats to China nominally to protect American interests; really, Chinese more than Americans are the ones whom our gunboats protect! And further, while we pay out our good money to protect these Chinese residents of foreignized areas, Mr. Borah and others shed tears of remorse over our brutal policy of exploiting the helpless Chinese! Why look in story books for humorous situations!

But why, if the presence of foreigners is such a boon to the Chinese, do they hate us so heartily and kick us out so lustily?

The reader may draw his own conclusion. Mine is that it is a question of the national pride of many as against the personal

interest of a few. We would not like to have a foreign power take over the administration of various sections of our country, even if they were able to manage it better. We would prefer to have it less well managed by our own people.

So far it would seem that the foreigner in China, once he has committed the original sin of extracting a few choice bits of real estate, can do only good deeds in China—protecting the helpless from becoming victims of official rapacity, and the like. I hasten to correct this one-sided impression. In general it is true that foreign officials and municipalities and governments take pains to give the Chinese a square deal, whereas his own officials do not. But when it comes to individual foreigners acting as plain citizens the picture is less pleasant. Foreigners, particularly the British, sometimes treat the lower classes of Chinese with high-handedness and contempt, which it is easy to feel toward down-trodden people who have never had a chance.

But these personal encounters, while somewhat aggravating the feeling against foreigners, are more important as indicating the condition which is, it seems to me, the greatest cause of unfriendly feeling. I will come back to that. In passing, however, it may be interesting to indicate concretely how it may come about that a foreigner may fall into the way of treating coolies more harshly than he would at first think possible.

Coolies With Provoking Ways

YOUR rickshaw coolie, for example, is practically your horse, in China. Would you kick him? Certainly not; you would not kick even a horse. No more would I. But here is the situation. You are riding down the street in your rickshaw behind one of these same coolies. You have told him that you want to go to the railway station and he has apparently understood. But when you reach the station entrance, instead of stopping he runs merrily on, dragging you helplessly after him. You shout to him to stop; in vain—he appears not to hear. You stamp on the floor-boards to attract his attention; he responds by redoubling his speed.

Your train is about to pull out and you are racing away from it. Something must be done at once to attract the runner's attention. You can reach him only with your foot, and—your foot comes into play. If you give him a light touch he may not even feel it, or may take it to mean "full speed ahead." It must be hard enough to startle him into looking around. A moderately forceful kick does the trick; he looks around, sees your gesture toward the station, and the day is saved. You have had your first lesson in kicking a human being, and the human being gives no evidence of resentment. Later you will probably repeat the trick that worked so well and cost so little.

This is the sort of experience that the foreigner is beset with on all sides in China. Small wonder that he develops traits unknown to him at home.

But the chief cause of Chinese feeling against the foreigner is, it seems to me, the sharp contrast between their ways of liv-

ing—the economic gulf between East and West.

I know there are missionaries and others saying today that the Chinese civilization is in many respects superior to ours. Granted that it is (we will not argue the point), what I wish to show is not which civilization is superior, but how the Chinese themselves feel about it. They feel that we have a vastly superior technique. They itch to learn it and the Midas touch that goes with it; and oh, how they envy and hate the races which have already acquired it and are flaunting its wonders for their jealous eyes to feast upon. And do you blame them? I do not. They would not be human if they did not feel as they do.

Better Government Needed

A NEW government will come some day in China which will be able and willing to insure justice and safety to all. But that day is not yet. The Chinese have not yet learned the western technique. No country can have a better government than the body of its people are able to demand. Look at the body of the people in China and calculate how long it will take them to learn how to demand a decent government. It won't be today, nor tomorrow, nor next week, nor next year, that China will be ready to exact from her governors the kind of government the west has learned to demand and achieve (imperfect as ours is).

In the face of all these conditions, what shall be done about the reiterated Chinese demand for "treaty equality," for a transfer of authority into Chinese hands? Shall we give the Chinese charge over the lives and property of our citizens in China, thus leaving them at the mercy of whatever superbandit or communist happens to be in power at the moment? Or shall we insist on maintaining the ancient treaties intact, and thus give constant offense to the new nationalist spirit which is waking the whole nation and is the most hopeful sign in China since the Revolution of 1911?

Compromise Must Be Found

IN SPITE of the vehement insistence by various groups upon one or other of these opposing programs, it seems clear that a middle course must be found. Revision of the treaties there must be, and in such a manner that the Chinese nation will be given a new sense of self-respect.

Should, however, the Chinese in authority at the time of negotiation prove recalcitrant and refuse to accept less than the "whole hog," the foreigner in China has his answer ready, if needed: "Do you want all business stopped? Do you want all foreign banks, all foreign ships, to go away and stay away?"

True, it is a desperate remedy, to be used only as a last resort, for it would involve enormous losses to the foreigner as well as starvation for hundreds of thousands of Chinese.

But until China has given confidence-inspiring, concrete evidence of being able and willing to provide justice and safety for foreign residents, there can be no real surrender of the safeguards which foreign nations have built up to provide that security necessary for carrying on any business, whether it be foreign or Chinese.



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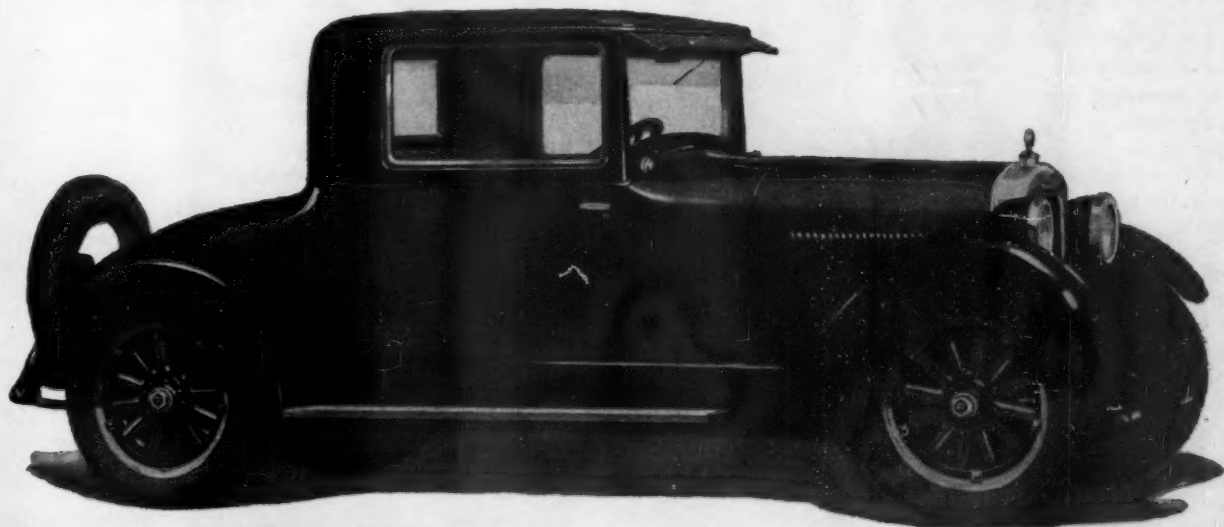
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What Are Fair Postage Prices?

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By ROBERT L. BARNES

THE ABOVE inscription on the Post office Building in Washington undoubtedly expresses the universal conception of the people of the United States as to what are the duties and purposes of the Postal Service.

In 1850, when the postal revenues were but five and a half million dollars and the service available limited, it was not difficult for Congress to decide on postal rates. Fifty years later, when the revenues had increased to \$102,000,000, Congress managed to conduct the Postal Service without the necessity of giving much consideration as to what was requisite.

A Growing Business

BUT today, with postal revenues of over \$659,000,000, derived from many classes of mail and special services, the problems are extremely difficult and require careful and thorough study to find the correct solution. With revenues increasing at the rate of \$40,000,000 a year, the Postal Service in a few years will be a billion dollar corporation, and should have extremely careful and intelligent direction.

Although the Postmaster General as the titular head of the Post Office Department promulgates all of the orders and regulations governing the vast Postal Service, except in the case of Parcel Post, he has no power to make postal laws or postal rates. On this class of service he may make rates but they must be approved by the Interstate Commerce Commission. In all other cases Congress has re-

served the sole power to make rates. To understand the present chaotic condition of postal rates it is necessary to go back to 1924, when the President vetoed a bill increasing the salary of practically every Post Office employe because it did not provide the means for meeting the \$68,000,000 the increase would cost. The veto message also advised Congress that if it must increase postal salaries it must also provide

the revenue needed to meet the \$68,000,000 additional expense. Congress thought it necessary to adjust postal rates to meet the situation. As it had decided that the salaries of postal workers must be increased—over the President's veto, if necessary—it required only a few weeks for the Postal Committee of the two Houses of Congress to get together and rewrite a new bill, combining salary and rate increases. The bill passed and it was approved by the President February 28, 1925.

What data did Congress have before it in 1925 to determine what postal rates should be increased? When the Post Office Department informed Congress that the contemplated increase in salaries would add \$68,000,000 a year to the expenses of the Department, it submitted a Cost Ascertainment Report which apparently showed losses on all classes of mail except sealed letter mail.

More Fact-Finding

ANTICIPATING that Congress would probably consider the Cost Ascertainment Report as a guide on which to revise rates, Postmaster General New, in a letter to Congress accompanying the report, stated that "The report is merely a fact-finding statement and does not make any recommendation with respect to postage rates." He neglected to state that the conclusions reached in the Cost Ascertainment Report were obtained by mathematical pro-rating of all expenses equally between the several classes of mail and special services. The report made no attempt to allocate the cost of the "policy" services which Congress had instructed the Postal Service to render.

Arithmetically, the report cannot be impeached. It is correct, having been



To meet an increase in the salary of this and other postal employes, Congress raised postal rates on classes of mail that apparently showed a loss. The result was doubtful



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certified by one of the leading firms of public accountants. This arithmetical exactitude, however, seems to support certain unwarranted assumptions and to foster several popular misconceptions. For one thing it figures costs on a unit basis rather than a service basis. Would one charge the same for a Wheeling stogy as for a Corona Corona?

With this Cost Ascertainment Report at hand, the problem of obtaining additional postal revenue to meet salary increases was apparently a simple matter.

It seemed that since the Cost Ascertainment Report indicated losses on all classes of mail except first class, that all rates, except on first class, should be boosted any theoretical amount to meet the extra expenses of the Post Office Department. No attempt was made to analyze the cost of the various postal services, including many "policy" services that Congress had instructed the Post Office Department to render to the public.

"Policy" or Charity?

THE Post Office Department, to be sure, has nothing to do with ordering these special "policy" services; its only duty is to perform according to instructions from Congress. In compiling the cost ascertainment figures, services rendered in conformity with these "policy" directions of Congress, were not segregated, but every class of mail or service was treated on an equal basis. Thus, as stated, the compilation of the Cost Ascertainment Report was merely a matter of addition, subtraction, multiplication and division, with an answer that gave identical status to equal units of every class of mail, whether letters, registered bonds, or bags of cement. Obviously such an answer did not supply necessary or reliable information upon which to formulate postal rates.

Nevertheless, Congress decided to increase postal rates on the classes of mail

that apparently showed a loss. The results were doubtful.

For example, the Cost Ascertainment Report stated that letters, post cards, and postal cards cost 1.45 cents each to handle. The post card on which one used to put a one-cent stamp is the private card of about the same size as the postal card.

Congress reasoned that since there were 1,250,000,000 cards carried in the mail,

Congress had expected from the new rate.

The two-cent rate for the private post card drove this class of mail out of existence, or almost so. But this post card business did not go to the Government postal cards. The two-cent rate was more than the traffic would bear and the postal card could not be substituted for the post card.

Nor is that all. The two-cent rate has practically driven the post card manufacturer out of business. The net effect was to put hundreds out of work and to deprive the Government of much revenue.

In making postal rates three factors must be considered. In framing the last postal bill, which was an attempt to provide rates to meet the salary increase, Congress did not consider them, nor did the "cost ascertainment report."

The factors are:
Cost of "free" or "less than cost" services should be taken into account.

Rates should be made to encourage the use of mails and thus reduce the units of overhead expense.

Rates should be made on different classes with due regard to the character and value of the service and the conditions under which it is performed in the same manner as rates are determined by the Interstate Commerce Commission.

"The cost ascertainment re-

port" does not consider the cost of "free" or "less than cost" services, but lumps them all together, making it appear that many classes of mail do not pay their way. The post and postal card and the transient second-class situation prove clearly the economic soundness of the second factor in rate-making and the advisability of cutting losses by reasonable rates and increasing business rather than attempting to raise rates, thereby driving business away. For with increasing business, costs don't increase as fast as revenue, while with decreasing business, costs aren't cut as fast as revenue.



This is not a motion picture, but a Carolina hill country mail carrier. He is one of the more picturesque employees of our billion dollar corporation, the Post Office Department

doubling the rate would not cut their use more than 10 per cent and calculated the prospective revenue from this class of service as \$22,500,000. This was a splendid total and easily arrived at. Unfortunately, the pretty theory did not bring in the money. When the count was taken of the following year's business in private post cards, the law of diminishing returns had taken its toll and it was found that the revenue from this class of service was only \$1,130,000. This was \$8,000,000 less than the revenue under the old law and more than \$18,000,000 under the amount that

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Price, the Vital Part of Bargaining

DRIVING a bargain with a man is often the opposite of giving him a square deal. The former smacks of the horse trade. But the latter has been sanctified. To many minds, the term "square deal" means the same price at all times and to all persons. But any such an arrangement is unsound and futile. It is an economic absurdity. It is not a square deal at all.

The ability to drive a bargain—that is, to push the price up or down to one's own advantage—is the all-important element in every business transaction worthy of the name.

Value of Price

THIS ability is more valuable (though perhaps less rare) than the ability to give people a square deal. The explanation is simple enough: all business boils down to a question of price. In the end, it is always price we are battling about. Every element in business can be expressed in terms of price. Price takes the place of the sun in the orbit of business. The successful man is he who is victorious in the price contest. Success smiles on the man who can drive a bargain.

* * * *

"You've simply got to help me," cried a young woman, sinking into the chair opposite one of the leading millinery manufacturers of New York. "I must have three hundred stouts immediately, at a dollar apiece. I've searched the market high and low. Is there anyone in town who might possibly have them?"

"Not at that price," answered the manufacturer. "That price is ridiculous."

"Of course it is. But here's the telegram. They've limited me absolutely, you see. It's hopeless."

Now this manufacturer had several hundred hats, all fine models, designed for the stout trade, which he was asking six dollars apiece for. Perhaps his price was a trifle high, but his was one of the best lines, and, so far, he had refused to make any concessions. The young lady from the resident buying office knew this, and the manufacturer knew that she knew it.

"I don't know what the store thinks we

By PERCIVAL WHITE

Cartoons by Stuart Hay

are," she complained. "Do they expect the manufacturers to give stuff away?"

The millinery man did not answer. He was thinking. It was getting just a trifle late in the season for comfort. The feeling that you may be carrying a stock of spring stouts through June makes you feel as foolish as wearing carpet slippers in a ball room.

"Well, I must run along," she said, interrupting his reverie. "I thought you might have had a suggestion to make."

A suggestion had already been made, but she had made it, not he. The suggestion was already seething in the manufacturer's mind. And, within an hour, he had sold the three hundred hats at the price stipulated by the store.

This is a very ordinary example of bargaining ability. The buyer knew that if she had made a direct request for a large price concession it would have met with abrupt refusal. The store's request had thrown her into a trying position; but she had merely shifted her troubles by placing herself in a place where he might rescue her. Her tactics were those of the heroines of former days, who swooned the minute trouble came; but only as if and when there was a man around.

Supply and Demand or Bargaining?

TO OBTAIN a smattering of economics is sufficient to leave the impression that price is regulated by supply and demand, and that it has a sort of dim relationship to the phenomenon of marginal utility. But these factors are not the only ones which regulate price, except in certain cases. On the exchanges, to be sure, particularly where the security or commodity in question is active, these purely economic factors are controlling. Even on the trading floor, the ability to bargain often for the moment eclipses all seeming rules of economics.

But take the case of an automobile. A woman has a good car. It cost her about \$2,500 a year and a half ago. She decides to go abroad to live. She advertises the

car for sale at \$700. She thinks this is a low price. She receives a dozen inquiries in the first few days, but only four people come to look at the car. One of these people is a man who specializes in second-hand cars.

"I'll give you \$250 cash," he says.

She refuses, not without indignation. He leaves his card and goes back to the garage. Next day he has one of his men call her on the telephone, to ask if she will take another car in trade. She explains that she is going abroad, and that any car would be a burden to her. The man grumblingly points out that all automobile sales are made on a trade-in basis. Later, his boss has another of his men call up and ask her whether she will sell him the car on time. Of course she cannot agree to do so. After having used these and other expedients to wear away her resistance, he calls again.

"My offer still holds good," he tells her.

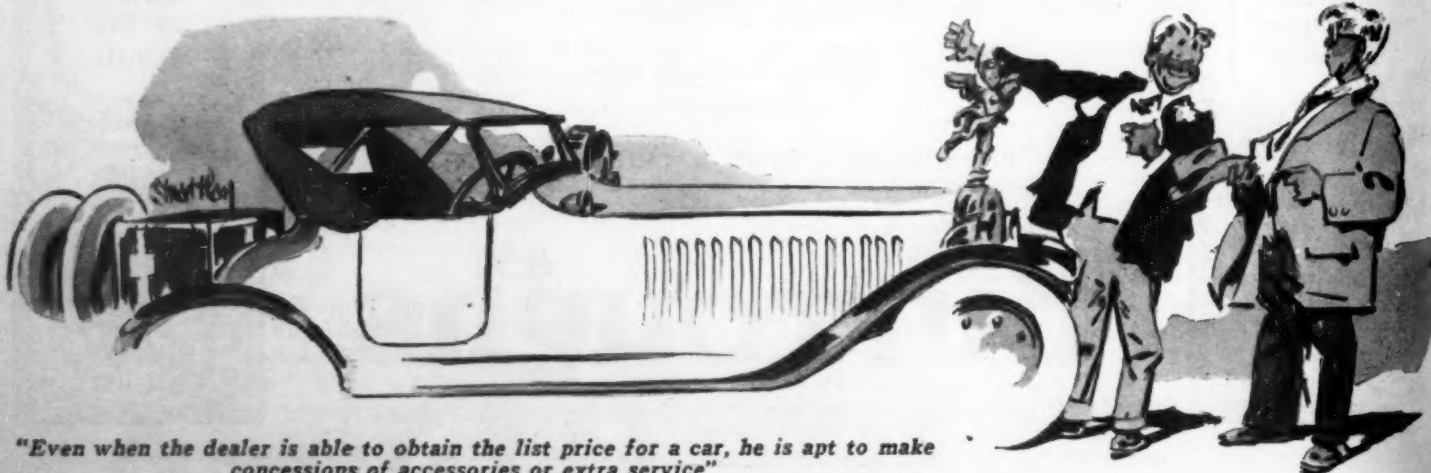
Another "Purchasing Profiteer"

THIS time she is less scornful of his overtures, and, after more negotiating, she sells him the car for \$350. This is exactly half what she had expected to get, and somewhat less than half the current price on that particular model. The explanation would have been plain to the woman if she had known more about markets and about time and place utilities.

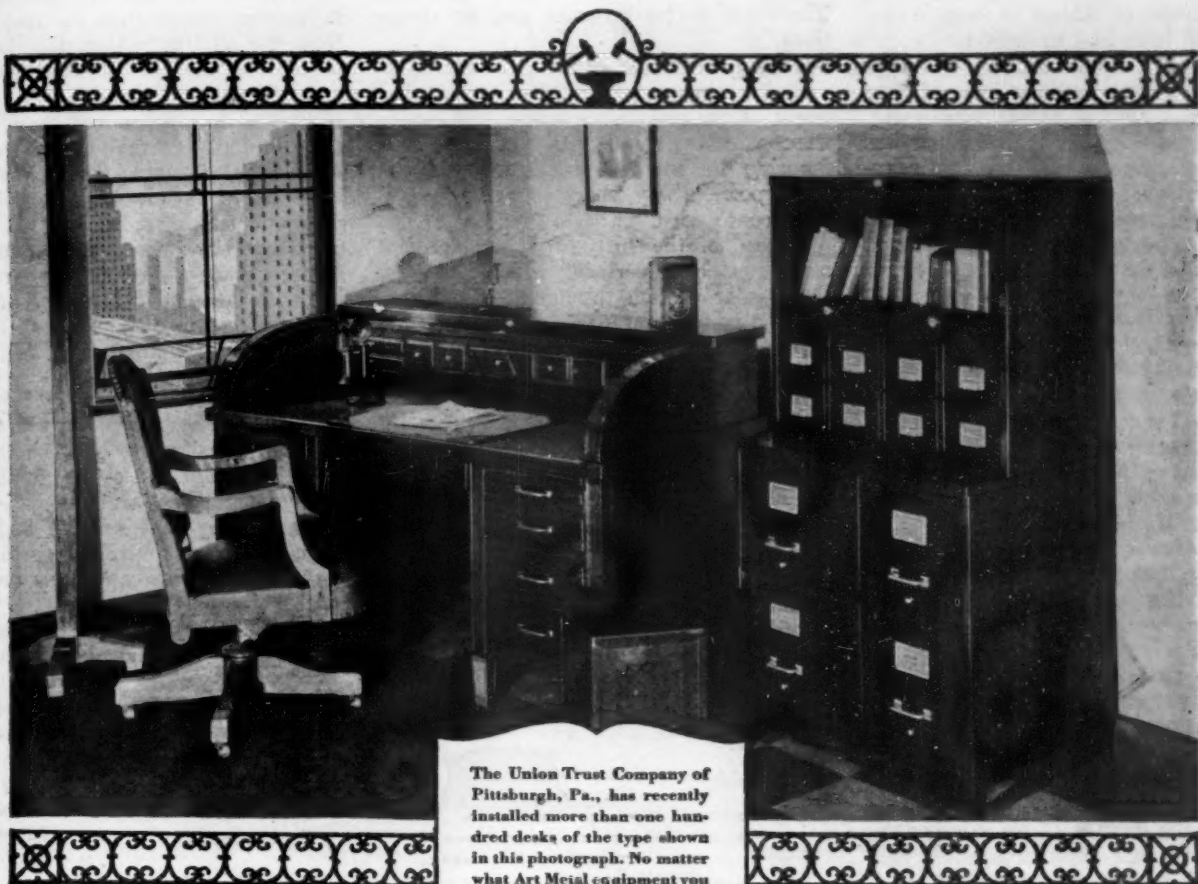
This is not an extreme case. Even in the sale of new cars, a certain amount of chaffering and dickering takes place. Here again, although the basic economic factors almost always restrict the price range to certain fairly definite limitations, the actual price for any individual transaction depends upon the relative bargaining abilities of the two parties thereto.

Even in cases where the dealer is able to obtain the list price for the car, he may make concessions of one sort or another. Some accessories are "thrown in" or some sort of "service" is given to boot.

The attempted stabilization of prices has done much to confuse people and to divert their minds from the axiom that bargaining ability is, of all others, the distinguishing business trait. It was in retailing that the maintenance of fixed prices first became the custom. There were several reasons



"Even when the dealer is able to obtain the list price for a car, he is apt to make concessions of accessories or extra service"



The Union Trust Company of Pittsburgh, Pa., has recently installed more than one hundred desks of the type shown in this photograph. No matter what Art Metal equipment you use, you will find it beautiful as well as practical.

Eye appeal

does your office have it

Suppose the camera had clicked in your office. What would the picture on this page have shown?

The looks and the efficiency of any office are improved by the use of Art Metal Steel Office Equipment. Why? Because Art Metal is both beautiful and practical.

Solid bronze fittings—every detail of design correct—magnificent finishes in natural grain or rich olive green—all these are there. But the

permanence, the easy operation, the fire-proof and dust-proof qualities—all the advantages of steel are present, too.

But what of cost? Art Metal costs no more than other fine office equipment. And the first cost is the last cost because it is steel. Write us for illustrated descriptive catalogs on Art Metal safes, files and desks. Art Metal Construction Company, Jamestown, New York.

Art Metal

Steel Office Equipment • Safes and Files

JAMESTOWN NEW YORK

why this habit came into vogue, but not all of them were so ethical as John Wanamaker would have had us believe.

One of these reasons was that it took more time to haggle over the price of some small article than the article was worth. Another reason was that the customer was apt to be a better haggler than the salesperson. Anyhow, haggling over the counter didn't pay. So merchants gave it up and credited themselves with having done it for the sake of the dear public.

Haggling With the Group

BUT, after all, the present practice is but slightly different. The retailer, as before, sets his price at the highest figure he can expect to get, consistent with a proper turnover. Mrs. Smith's proposal that the price be reduced he declines with thanks. But he does not turn a deaf ear to such suggestions. If Mrs. Brown and Mrs. Jones and a few others join in demanding a lower price, they get it. He simply marks the merchandise down, as in the haggling days, to a price at which it will move.

The process is exactly the same as before, except that he deals with his customers as a group rather than as individuals. The haggling process, or its equivalent, costs him less when he carries it on through the medium of advertisements in newspapers than when he does his bargaining through the mouths of his salespeople.

In the event that the merchandise thus marked down happens to be nationally advertised, this practice is known as "price-cutting." It is vehemently objected to by most manufacturers who advertise nationally. For reasons of their own, they wish to obliterate the price issue. As a matter of fact, they do not do away with it; they merely side-step it. Price, directly or indirectly, must always be the pivot upon which every commercial transaction swings. With the product standardized, the retailer has no choice except to make use of price as a mechanism for regulating the balance between his gross and his net profit. Otherwise, how is he to meet competition?

In his dealings with retailers, the manufacturer is as apt as they to bargain. The president of a large company received a complaint from a store which had been one of his oldest customers, to the effect that it had not received such good prices as certain other stores in that territory. The president called in his sales manager, and asked if the accusation were true.

"Yes," admitted the sales manager, "we have given better prices to the other stores because they were on their toes, and because they were in a position to get our merchandise before a much more desirable class of trade."

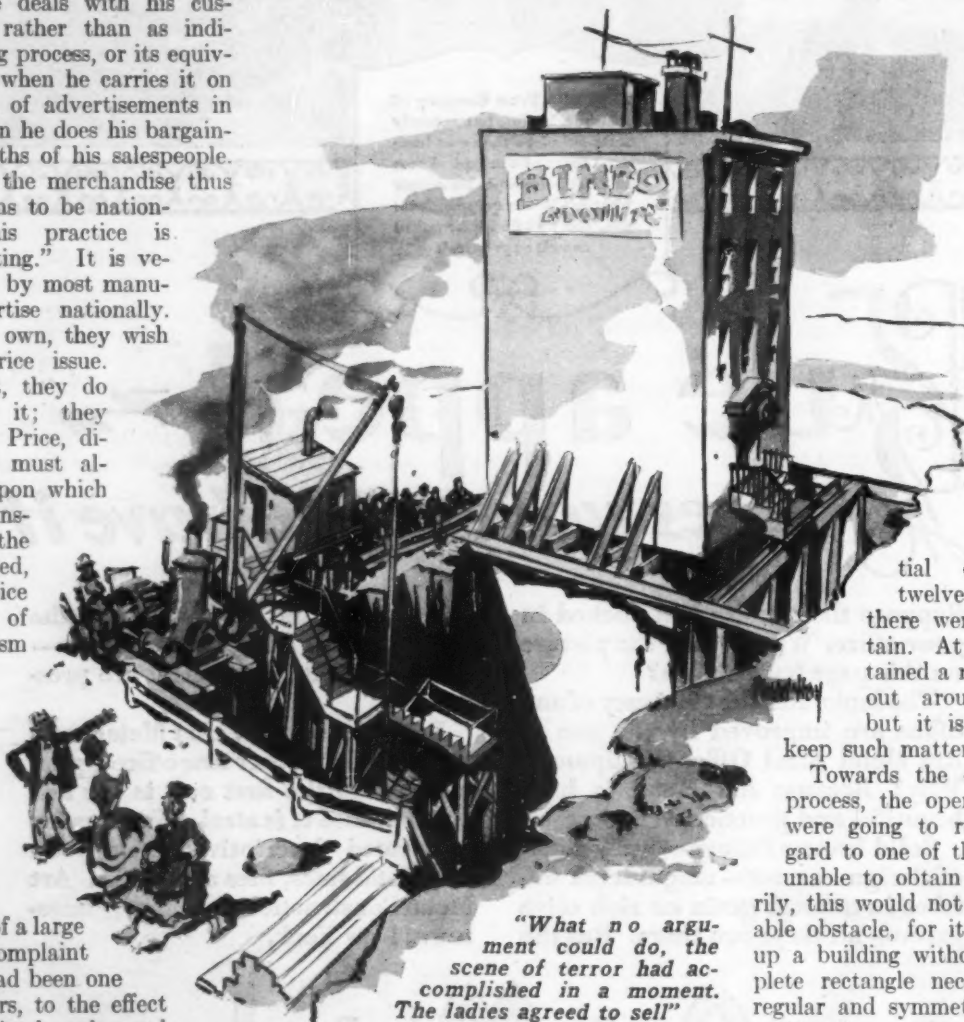
"Never mind," replied the president.

"After this we shall make one price to all. There will be no favorites and no exceptions."

The sales manager demurred and prophesied dire things, but without avail. The result of the president's ruling was simply this: within a year, the company was favoring its more desirable accounts in every possible way, short of making actual price concessions.

Instead of the "fifty-fifty" arrangement on newspaper advertising which had been the regular custom throughout the industry, the manufacturer was now footing the entire advertising bill for certain stores. In a few of the most desirable ones, the factory was paying the entire salary of at least one of the sales clerks. (This, of course, was a strictly secret arrangement.)

In some cases the line was taken away from all the smaller stores in certain cities, so as to ingratiate the one or two desirable outlets. In short, though price was theoretically maintained, there was as much of the undesirable bargaining element as before, and the basis of bargaining was less straightforward.



Prices will fluctuate and people will bargain. One is common-sense economics; the other is just plain human nature. There is too much of an attempt to conceal the mechanisms of price operation, on the charge that anything but stability in prices is unethical. To expect price to remain static under normal business conditions is like expecting the blood to remain stationary in the arteries of a healthy man.

Whatever the line of business, there is no greater qualification for making money than the ability to bargain. In fact, the higher one goes in the business scale, the more keenly developed is this bargaining ability. The more money there is at stake in a business operation, the less part do the strictly economic factors play, and the more important do the psychological elements of bargaining become. It is obvious, of course, that when the amount involved is large there can be no standardization of prices, terms, and details, as is usual when selling a commodity, so that the opportunities for "pulling off a deal" are unusually favorable.

Real Estate Has Variant Price

IN THE real estate business this is especially true. Real estate, furthermore, is never governed by a market price, in quite the same way that security and commodity markets are controlled, so that the opportunities for brilliant deals are plentiful in this line of trade. Some of the bigger real estate negotiations are marvels of skill, foresight, and bargaining ability, especially when there is a problem of "assembling" certain adjacent pieces of property, held by individual owners, for the purpose of building a large structure, such as an office building or a railroad station.

Not long ago, in one of the larger cities, a very large apartment-house project was undertaken. The property which had to be procured consisted of the whole of a large block in the most fashionable residential district. There were twelve parcels; therefore there were twelve deeds to obtain. At first the operators obtained a number of options without arousing much suspicion; but it is usually impossible to

keep such matters secret for very long.

Towards the end of the assembling process, the operators found that they were going to run into trouble in regard to one of the plots. They seemed unable to obtain a clear title. Ordinarily, this would not have been an insuperable obstacle, for it is not unusual to put up a building without obtaining the complete rectangle necessary for a perfectly regular and symmetrical structure.

Oftentimes, when one property holder holds out for too high a price, his wedge of land may be ignored, and the structure will be built around it. This is sometimes even an advantage, because the areaway can be used for giving the building additional light and ventilation. Many a too-grasping property holder has lost the opportunity to make a small fortune because he asked too much money, and found, only too late, that his opportunity was gone.

Now a New Speed Wagon for virtually every hauling job

*NEW

LOWNESS—Only thigh-high for easy loading.

COMFORT—The first truck cab and upholstery to give the driver the same comfort he would have in a coupe.

POWER—For holding the pace on hill or heavy road.

EASE OF HANDLING—Easy to steer with modern adjustable bevel pinion and sector steering gear. Easy to shift—oversize single plate clutch.

ACCELERATION—To make the truck hold its own in passenger car traffic.

SPEED—For shortening miles on the straightaway, for beating schedules in city traffic.

COMPLETENESS—Myers Magazine Oilers for automatic chassis lubrication, crankcase ventilation, air cleaner, electric starter, Tilt-Ray headlights with switch on steering column, extra accessible tire carrier at rear under frame, speedometer, electric horn, etc., etc.

MORE

And even more of the ruggedness and durability which have saved thousands of dollars for former Speed Wagon owners.

JUNIOR

For loads up to one-half ton.



4-Wheel Brakes
Coupe Comfort

Chassis \$895 at Lansing

*STANDARD

For the world's average load—up to a ton and a half.



4-Wheel Brakes
Coupe Cab

Chassis \$1345 at Lansing

*MASTER

A little huskier than the Standard—for hauling loads up to two tons.



4-Wheel Brakes
Coupe Cab

Chassis \$1645 at Lansing

*HEAVY DUTY

For hauling heavy loads—up to three tons.



Dual Internal
Brakes
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and that he had a small piece of property on his hands with little market value.

Such, however, was not the case in the present instance. The one plot which the operators had to obtain was a corner one. There were sixteen owners of this corner lot. These owners were members of the second or third generation of an old family which had held the property for many years. All of the fifteen co-owners had given their options and had been paid their money. The sixteenth man had given an oral option, but, as he had said, he didn't want to put anything on paper. When the time came he backed down and flatly refused to sign the deed. The situation lay absolutely in his hands.

Here was a case where nothing but the ability to pull a deal could possibly save the situation for the realtors. Four members of the operating company were able to get the recalcitrant one into their office. Through sheer force of will, and by wearing him to a state of nervous and mental exhaustion, by methods which would have done credit to the chief of the homicide squad, they obtained his signature.

Even then they were obliged to pay ten times as much for his sixteenth share as any other member of his family had received. The real estate men stated afterwards that they would have been ready to pay almost any figure for this seemingly insignificant share in one little strip of land. Only through duress and bargaining ability had they saved their skins.

But the last purchase was the most difficult of all. In the last of all the houses which it was essential that they should obtain possession of there lived two maiden ladies. They also inherited their property and had resided in it for many years. Furthermore, it was their avowed intention to continue in this, their accustomed habitat, for the rest of their lives. They were nervous and timid in the extreme. The very thought of anything which might interfere with the even tenor of their ways appalled them. Money, on the other hand, was no object, and they continued to reject the increasingly high offers which were made them.

Ultra-Persuasive Methods

FINALLY, one young man from the operators' office had a brilliant idea. He gained admittance to the presence of the ladies, though not without some difficulty, because of their shyness and timidity.

"Excuse my intrusion," he apologized; "I hate to trouble you. But, as you know, we are planning to put up a very large building all around this house. We are starting next week to tear down the house next door, and, of course, as soon as that is done, we shall have to start the operations of excavation."

The women looked at each other apprehensively.

"I know it's unfortunate," said the young man. "We hate to put you through such an unpleasant experience. I do hope you won't mind the dynamiting. But, you see, this is a solid ledge, right under us. They thought at the office that I had better show you exactly what is going to happen on both sides of your house."



"By methods . . . of the homicide squad, they obtained his signature"

After some difficulty, he persuaded the two ladies to accompany him to a building operation a few blocks away. Here, shoved up temporarily with wooden timbers, was a house, tottering precariously, all by itself, with an excavation 70 feet deep all around it. Air hammers were rattling incessantly and blasts going off at irregular intervals day and night. One look was

enough for the women. What no amount of argument could do, this scene of terror had accomplished in a moment.

This young man had the true bargaining instinct. He had had the acumen to see that he could not appeal to these women in the same way that he had had to appeal to the others with whom he had

dealt. In the end, by providing the ladies with a really more desirable residence in a quieter part of the city, and by arranging to move them with as little trouble as possible, he was not only able to obtain the plot which his company desired, but he was also able to make a profit on the transaction.

Bargaining ability, wherever you may search for it, has as many different facets as human nature itself. But, if you look, you will be certain to find it. Wherever money is being made, there it always grows.

Any business man who does not believe that bargaining ability is essential should do one of two things—try to sell out to his competitors at what he thinks is a fair price, or go to some investment bankers and get them to finance him by underwriting a stock issue.

The Coal Strike to the Front

WITH winter coming on consumers are beginning to take a more active interest in the progress of the present coal strike in the bituminous unionized fields. During the five months that the strike has been in progress there has been no general alarm; in fact, it may almost be doubted if the general public knew there was a strike in progress. There has been practically no derangement of industry and little violence. The Natural Resources Production Department of the National Chamber has published a pamphlet outlining the situation.

The introduction to the pamphlet, *Coal*, points out that:

With the peak of summer past, however, the consumer's interest in the coal situation has quickened since individual policies concerning the winter's supply of fuel must soon be decided.

In determining the course of action the consumer must consider both the present and the normal sources of his supply. He must weigh the possibilities of increased production, from the fields now operating and from fields which may start up in the near future, against the probable increase in consumption during the winter months, and the possibility of an early settlement or disintegration of the strike against the possibility of sympathetic strikes and transportation and terminal congestions. He must decide whether an early settlement of the strike will cause a further price recession, bearing in mind that present prices are as low as those of other recent years; and whether or not the expense of accumulating

stocks is justified as a matter of insurance against possible interruptions of supply and higher prices later on.

On the matter of production it is interesting to note that, despite the strike, the total production for 1927 is greater than for the similar period of any other recent years except 1926, and that current production is nearly on a par with that of 1924 and 1925.

Consumers' stocks of bituminous coal on July 1 amounted to sixty-two million tons or 54 days' supply, according to the recent quarterly estimates of the Bureau of Mines. This coal is in the hands of railroads, industrial consumers, public utilities, and retail dealers. Coal for steamship fuel, on lake docks, in transit, and in the bins of householders is not included. The significant features of the present stock situation are the considerable accumulation of supplies over a period of several months in preparation for the present strike and the gradual depletion since April 1. Although existing stocks will indicate a comfortable reserve for present requirements, the question remains whether the increased consumption will be supplied from production or from stocks. It must be borne in mind that most of the stocks are in the hands of individual consumers and will not be available to the general public.

For a number of years, it has been the custom for representatives of the operators and miners of Illinois, Indiana, Ohio and western Pennsylvania to meet at intervals and determine wage scales and working conditions. Agreements between the operators of this

field, known as the Central Competitive Field, and the representatives of the Miners' Union, also became the basis of agreements between the operators and miners in other unionized fields.

The last of such agreements was made in 1924 at Jacksonville, Florida, and expired March 31 of the present year. Efforts to draft a new agreement were made but were unsuccessful and the union miners ceased work. Negotiations were discontinued and have not been resumed.

An interesting development is the trend towards splitting into a series of sectional controversies while in former suspensions a national aspect was maintained. The figures quoted are approximate as the situation is constantly changing.

1. The *Anthracite* region, strongly union, is working under an agreement made in February, 1926, which runs until August 31, 1930. Although production for the month of July totaled slightly over five million tons, it would be possible nearly to double this output should conditions warrant.

2. *Central Pennsylvania*, the easternmost of the union bituminous fields, continued working under a temporary agreement until July 1, when work ceased and negotiations were broken off. The operators are reported as planning to start up again on an open shop basis. The drop in production has been made up by other districts, and the production of bituminous coal in Pennsylvania is being maintained at a rate of slightly over two million tons weekly, which is about on a par with the similar period of recent years.

3. *Western Pennsylvania* was formerly a union district, but since the strike started a number of the mines have been working on an "open shop" basis.

4. Most of *West Virginia* has been strongly "non-union" for many years, and it has gradually increased production since the Jacksonville Agreement went into effect. Last year, due to its proximity to tide water, it was able to make considerable shipments abroad during the British coal strike, and this year it has been in a position to supply much of the deficiency of the mines closed down. Its present production is nearly three million tons a week, and it is reported that there is a large reserve capacity.

5. In *Eastern Kentucky* and in *Virginia* the situation is somewhat the same as that of southern West Virginia. These "non-union" fields have increased their volume of production during recent years. Virginia is now producing a quarter million tons and Eastern Kentucky a million weekly.

6. *Western Kentucky* became non-union several years ago. Its present production of nearly half a million tons weekly is double that of last year.

7. *Illinois* is a strong union district and operations have practically ceased. This district, which normally produces a million tons weekly, is now producing a tenth of that amount. A few operators have signed up with the union and are continuing work.

8. *Indiana* is also a strong union district. Some operators have signed up with the union, and a few are working on an "open shop" basis. The present production of 235,000 tons weekly is about two-thirds of the normal production of recent years.

9. *Ohio* is a union district which has felt keenly in recent years the competition from non-union fields. A few operators are now working on an "open shop" basis. The present output of 135,000 tons weekly is about 30 per cent of the normal for recent years.

Other coal-producing districts throughout the country in the south, the middle-west, and west show in the aggregate little change and are continuing their usual contribution of one and a third million tons weekly.

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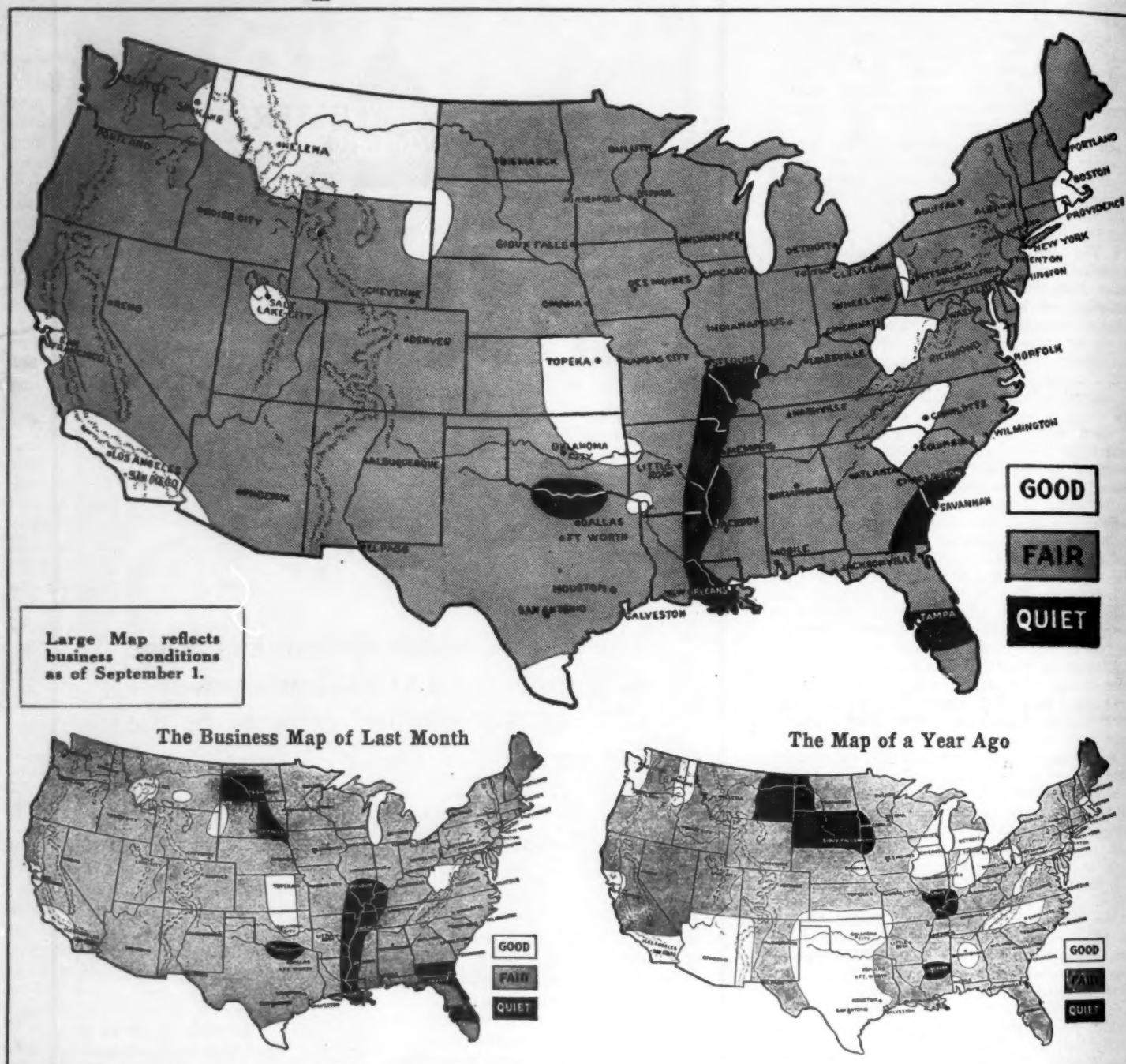
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PHILADELPHIA, Real Estate Trust Bldg.

The Map of the Nation's Business



TRADE, wholesale and retail, and to all appearances industry also, touched bottom in July, and August saw a rally in trade, but not in industry, which seems merely to have marked time. Collections, like trade, improved, but crops made little progress.

Wholesale Trade Improved

FOR THE improvement in wholesale trade, apart from the element of seasonableness, the strength of farm produce is chiefly responsible. The larger distribution at retail, "sales" and intensive advertising of summer wear would seem to have more than offset the effects of cool or rainy weather in wide areas.

Industry, apart from cotton goods, shoes and affiliated lines, did not show much life and, so far as apparent activity is con-

By FRANK GREENE

Managing Editor, Bradstreet's

cerned, seemed, generally speaking, to lag, while distributive trade was turning its face away from the rather unsatisfactory returns of the first seven months of the year toward what is really the advent of a new season.

Collections, feeling very much the same influences that affected trade, improved, but not to the same extent because crop movement was later than usual, and, in the cereals at least, foreign buying was well behind a year ago. Crops, already plenteously supplied with moisture, were retarded by cool weather. There was considerable frost and rust damage in north-western spring wheat, and the boll weevil,

favored by excessive moisture, especially in the southeast, cut the cotton yield badly.

Such was the history of August in trade, industry and crops. Early September seemed to show a continuance of the same general trends except that a slightly more optimistic tone was manifest in a few industries, while higher temperatures gave an impetus to the ripening of corn which at the time of writing is still from one to three weeks late and needs a long, warm fall to make even a fair yield. Reduced crop estimates caused another advance in cotton.

Turned a New Leaf

HOW FAR the rally in trade will go is, of course, problematical, but these things may be said: first, trade entered a new season, the period of garnered crops;

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second human needs must be satisfied this year as in other periods, and the crop outlook, while not of the best from a quantitative standpoint, has the merit, due in part to shorter yields, of offering better prices than a year ago, for most agricultural produce.

In any consideration of the outlook for the coming fall two other things would need to be considered: first, the reaction in trade that distinguished the second quarter and summer of 1927; and, second, the fact that while the start up from the seasonal quiet of the summer of 1926 seemed swifter than it was this year, last year saw hesitation in October that did not disappear until well into December.

As to the position of things in July of this year it might be well to consider the following summary published by the Federal Reserve Banking System in its September review:

"As a consequence of the recession in several lines of inquiry there has been a decline in the number of workers employed in factories and in the total pay-rolls of industrial establishments. The volume of employment and of pay-rolls in July was at a lower level than at any time in the past three years.

"The reduction in current earnings of industrial workers has been reflected in a slowing down of distribution of commodities, as is indicated by a decline in the volume of freight movements over the railroads, which has also been influenced by the continued strike in the bituminous coal industry. Dollar volume of trade, both of wholesale and retail, was smaller in July than in June, and below last year. The reduction as compared with 1926 is explained in part, but not entirely, by the prevailing lower level of commodity prices."

Money Lower

THE ABOVE summary, it might be added, was part of the explanation offered by the Reserve System for the lowering of re-discount rates from 4 to 3½ per cent, this action being taken by eight of the twelve banks and later joined in by three other regional banks, those of Chicago, San Francisco, and Philadelphia. Briefly stated, the bank attributed alike the ability to, and the necessity of, lowering rates to large gold imports in the past two years and the quieting down of trade and industry.

While August was a midsummer month, it was far from uneventful. It saw the third largest monthly total of dealings on the New York Stock Exchange, reflection of this being had in high record August totals alike of bank clearings and bank debits. Most of the gain in both of these measures was at New York.

Wheat speculation was active at declin-

ing prices, this based largely on the prospect of a big though not record yield in Canada and better reports from European crops which seem to have curtailed export buying of American wheat. On the other hand, cotton, buoyed by a low government estimate on August 8, rose to a new high on September 8 on a reduction of the earlier estimate to 12,700,000 bales, this latter raising the price of middling to 23.90 cents.

This price was almost double the low price on the crop of 1926 reached early in December of 12.15 cents and is 28 per cent higher than the price ruling a year

ago in the country, located in the eastern part of the central competitive field, changed over during the summer from a union to non-union basis, and the pressure of this output plus that of the non-union mines of West Virginia and western Kentucky has begun to affect the coal markets of Ohio and Illinois.

Miners' Wages Probably Lower

HENCE the possibility that the soft coal union miners, after the longest strike in their history, may abandon their demand for the \$7.50 per day rate of the Jacksonville scale and come down to something like the \$5.00 a day rate reported ruling in the mines that are now working.

A further rise in the index numbers of commodity prices was registered on September 1, largely the result of the upward surge of raw cotton and of cotton goods.

Pig iron production in August was a shade less than that of July and 8 per cent below August, 1926, while steel output was probably 12 per cent off.

Car loadings in the last week of August rose to the highest point of the year, but even at that these loadings were below those of the same weeks in 1926 and 1925. The total for four weeks of August fell 3.3 per cent below a year ago for the same period against a decline of 5.3 per cent in five weeks of July from 1926. July gross railway earnings fell below those of a year ago by 8.7 per cent, and net operating income showed a decline of 27.9 per cent from July a year ago. Building permitted for in August fell 5 per cent below a year ago, and 1927, as a whole, is well behind both 1926 and 1925.

More Gasoline Used

PETROLEUM production made a new high record output in July, as did gasoline consumption, but consumption of gasoline rose even higher than did production, and stocks of this commodity decreased for the fifth month in succession. Production of electricity rose 7.6 per cent above July, and for seven months was 9.5 per cent heavier.

Retail trade returns for August will bear notice because of the remarkable gain, 17 per cent, shown by mail-order houses over a year ago as against a gain of 18 per cent by chain stores. While this no doubt reflects somewhat freer buying by farmers, it is to be noted that some mail-order concerns have of late made notable extensions into new fields in the form of opening stores for district sales to consumers, this setting up additional competition alike for the chain systems, the already existing department stores and the ordinary small individual retail concerns.

BUSINESS INDICATORS

Latest month of 1927 and the same month of 1926 and 1925 compared with the same month of 1924

	<i>Latest Month Available</i>	Same Month 1924 = 100		
		1927	1926	1925
Production and Mill Consumption				
Pig Iron.....	August*	156	170	143
Steel Ingots.....	August*	133	156	134
Copper—Mine (U. S.).....	July	101	111	106
Zinc—Primary.....	July	111	113	111
Coal—Bituminous.....	August*	115	129	124
Petroleum.....	August*	126	107	108
Electrical Energy.....	July	140	129	117
Cotton Consumption.....	July	164	133	139
Automobiles.....	August*	105	152	90
Rubber Tires.....	June	177	155	154
Cement—Portland.....	July	124	122	111
Construction				
Contracts Awarded (36 States) Dollar Values.....	August	151	162	166
Contracts Awarded (36 States) Square Feet.....	August	138	142	175
Labor				
Factory Employment (U. S.)—F. R. B.....	July	102	105	104
Factory Payroll (U. S.)—F. R. B.....	July	110	112	111
Wages—Per Capita (N. Y.).....	July	107	106	103
Transportation				
Freight Car Loadings.....	August*	114	114	111
Gross Operating Revenues.....	July	108	116	108
Net Operating Income.....	July	88	157	134
Trade—Domestic				
Bank Debits—New York City.....	August*	145	125	111
Bank Debits—Outside.....	August*	119	117	112
Business Failures—Number.....	August	112	105	100
Business Failures—Liabilities.....	August	71	51	67
Department Store Sales—F. R. B.....	July	107	109	104
Five and Ten Cent Store Sales—4 Chains.....	July	135	126	112
Mail Order House Sales—2 Houses.....	August	159	136	121
Wholesale Trade—F. R. B.....	July	100	105	106
Trade—Foreign				
Exports.....	July	125	133	123
Imports.....	July	115	122	117
Finance				
Stock Prices—20 Industrials.....	August	178	158	135
Stock Prices—20 Railroads.....	August	154	130	112
Number of Shares Traded In.....	August	228	207	153
Bond Prices—40 Bonds.....	August	109	106	102
Value of Bonds Sold.....	August	99	70	79
New Corporate Capital Issues (Domestic).....	August	106	57	70
Interest Rates—Commercial Paper, 4-6 months.....	August	123	133	125
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	July	98	103	109
Bradstreet's.....	August	101	99	110
Dun's.....	August	100	98	104
July 1914 = 100				
Retail Purchasing Power, July, 1914 = 100.				
Purchasing Power of the Retail Dollar.....	July	62	60	59
Purchasing Power of the Clothing Dollar.....	July	59	58	57
Purchasing Power of the Food Dollar.....	July	65	64	63
Purchasing Power of the Rent Dollar.....	July	60	57	56

*Preliminary.

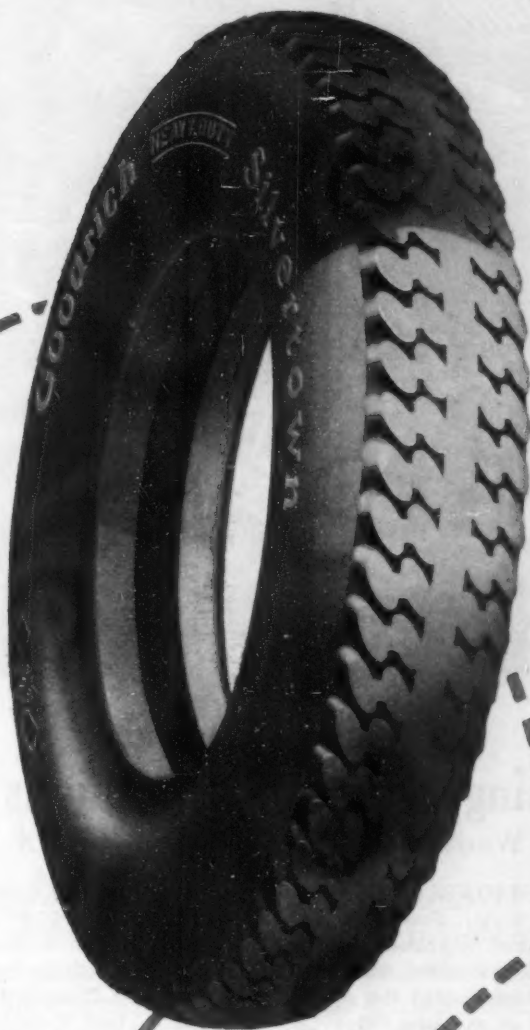
Prepared for Nation's Business by General Statistical Department, Western Electric Company, Inc.

ago at this date. At the time of writing the advance in price about balances, in percentages at least, the reduction of 29 per cent indicated in total yield from a year ago.

Coal Strike Looks Weaker

EARLY September saw signs of a breaking of the deadlock in the soft coal strike which began on April 1. For some weeks before that production had begun to rise slowly from slightly above 8,000,000 tons a week in the spring and early summer to 9,500,000 tons in the last week of August.

Several of the largest coal mining con-



Rubber savings —spring up everywhere!

What savings? Of course, there is the obvious saving on the cost per mile. But that's only part of what you may save when tire equipment is accurately fitted to your needs.

Precious time, for instance, can be saved for trucks and men — the same fleet can do more work — when a change in tires speeds up deliveries.

And jars on the chassis, jolts for your drivers, breakage of cargo may be saved, by tires which do more to soften the bumps of the road.

Some tires pull through where others sink down — that's a saving of useless delays.

You find these savings in the right Goodrich Tire — for Goodrich builds the right tire for every job.

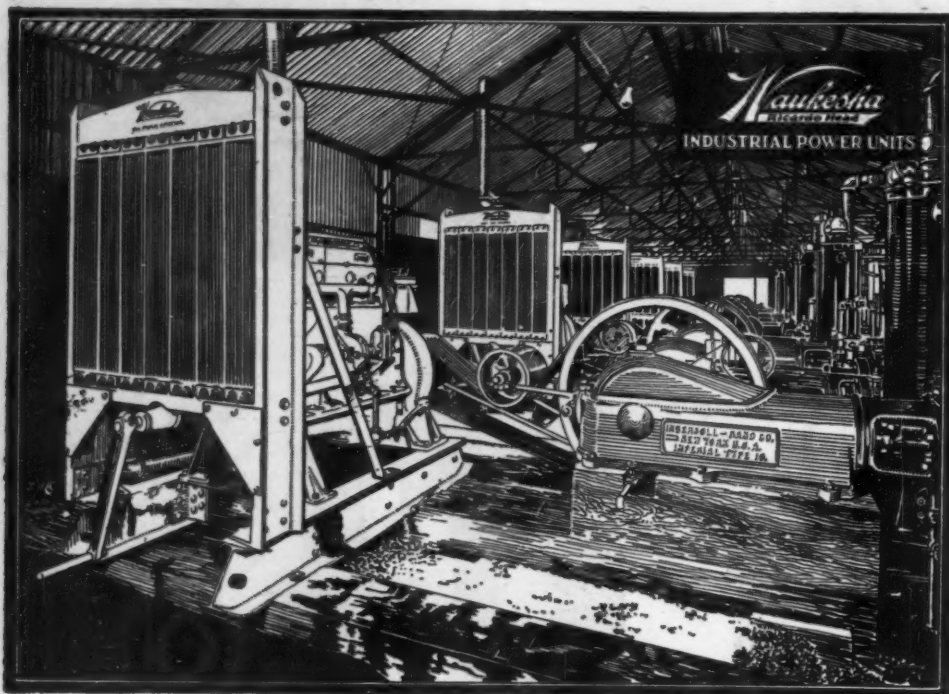
THE B. F. GOODRICH RUBBER CO.
Established 1870 Akron, Ohio
In Canada: Canadian Goodrich Company
Kitchener, Ont.

Goodrich

FOR TRUCK TIRES

When buying GOODRICH TIRES please mention Nation's Business

Waukesha Engines Help Boost Oil Production at "Seminole"



736-M

Turning Waste Into Millions of Profit

is Waukesha's Contribution to Oil Industry

"SEMINOLE," a name heard around the world. From this year old Oklahoma oil field comes a quarter of the total U. S. production. Its phenomenal record is attributed to the successful application of the new "Gas Lift" principle which increased production from 100 to 400 per cent over former mechanical pumping methods.

POWER—lots of it—is required to drive these air compressors used to compress the gas for lifting oil. 7,500,000 cubic feet of gas per day are compressed to 300 pound pressure in a plant like the above. Waukesha "Ricardo Head" heavy duty engines operating on "Waste Gas" as fuel, supply the necessary power. Their proven reliability has made them the standard of comparison in this industry where to shut down a plant like this costs \$5.00 a minute.

THE USERS of similar Waukesha Power Plants is almost a directory of the leaders in petroleum production such as: Prairie Oil and Gas Company, whose plant is illustrated above, also Gypsy, Marland, Humble and Roxana Companies.

IF YOU ARE INTERESTED in gasoline engined equipment, whether it be a bus, truck, power shovel, concrete mixer, road building machine, air compressor, water pump or combined harvester, you will find a Waukesha "Ricardo Head" engine designed for that particular service, and one which has a record for satisfactory performance to back it up.

FOR YOUR POWER PROBLEM—If you have an industrial or truck power problem, just drop us a line. Our engineering advice is yours for the asking without charge or obligation.

Waukesha
Ricardo Head

HEAVY DUTY GASOLINE ENGINES

G-763-2N

No. 5 of a Series

WAUKESHA MOTOR COMPANY

Waukesha

Wisconsin

Exclusive Builders of Heavy Duty Automotive Type Gasoline Engines for Over Twenty Years

When writing to WAUKESHA MOTOR COMPANY please mention Nation's Business

Little and Nothing

NO human mind can comprehend a billionth of an inch, a millionth of a degree of temperature or the 54 quadrillion molecules in a cubic millimeter of air. Yet scientists have invented instruments that deal with these quantities. And even more important, these instruments were invented to serve very important business needs which affect every one in his daily life.

An instrument for measuring a billionth of an inch or a millionth of a degree was recently perfected by P. P. Cioffi of the Bell Telephone Laboratories. It was constructed to measure the minute contraction or expansion which wires of different composition undergo when they are magnetized.

The Cioffi instrument is a hundred times more sensitive than the best instrument that was formerly available for measuring length.

Mr. Cioffi was assigned by Dr. L. W. McKeehan of the Bell Laboratory to invent an instrument of this type for use in an extensive research into the nature of magnetism. Today nobody knows what magnetism is. A good deal of light has been thrown recently upon the manner in which atoms behave under the influence of magnetism. A good magnet seems to be one in which all the atoms are pulling in the same direction.

The whole subject is of great importance to the American Telephone and Telegraph Company because magnetization plays an essential part in the transmission of sound waves.

The things measured by Mr. Cioffi's instrument are wires about four inches long. They are composed of different alloys and are subject to magnetic fields of different strengths to test their contraction or expansion.

Strive as they may, scientists have been unable to attain a vacuum wherein a cubic inch includes fewer molecules than there are people in the world, according to a publication of the Engineering Foundation. Even so they have succeeded in removing 99.99,999,999 per cent of the gas. In other words, only one of every 10,000,000,000 molecules remains.

It can hardly be said of a vacuum that "there's nothing in it." Materially, there are countless thousands of molecules in the highest vacuum attained; there is also endless utility and interest. In fact, the American public is paying more than a million dollars a week for glass-contained vacua.

Putting "Nothing" to Work

ABILITY to create even partial vacua in inclosed spaces has been of great use. It has made possible suction pumps, thermometers, incandescent electric lamps, and many improved physical and chemical processes, and has increased the efficiency of steam engines and turbines. At night we see by the aid of vacuum lamps. By means of other vacuum lamps we see through opaque bodies. Telephony, radio broadcasting and receiving, and the transmission of photographs by wire are all possible because of some type of vacuum tube.



To navigate drifts it is at times necessary to equip the trucks with snow plows, as on the truck in the distance.

Trucks to the Frozen North

IN THE trackless heart of the upper Dominion International Speed Trucks are bold explorers. The McInnes Fish Company, Ltd., Edmonton, Alberta, operating the northernmost inland fisheries on the North American continent, takes them into the Great Slave Lake region, in a latitude as far north as Greenland, to fish for whitefish through the ice.

Last winter, in spite of the hardships of heavy snows, with temperatures falling to 55° below zero, the McInnes International Speed

Trucks transported 1,200,000 pounds of fish to headquarters, besides serving the crews of fishermen with a winter hauling of supplies.

The splendid qualities, for which Internationals have been called to the difficult hauling problems the world around, are in reserve in every Speed Truck and every Heavy-Duty Truck of International Harvester manufacture. Every owner will be given faithful performance by the Internationals he buys, and Service he will find always close at hand.

The International line includes the Special Delivery for loads up to ¾-ton; 4 and 6-cylinder Speed Trucks of 1½, 1¾ and 2-ton sizes; Heavy-Duty Trucks ranging from 2½ to 5-ton sizes; Motor Coaches; and McCormick-Deering Industrial Tractors. Write for folder on Internationals for your business.

INTERNATIONAL HARVESTER COMPANY

OF AMERICA

606 SO. MICHIGAN AVE.

(INCORPORATED)

CHICAGO, ILL.

INTERNATIONAL

HARVESTER TRUCKS COMPANY

CONTINENT-WIDE SERVICE is rendered to International Trucks through these 154 Branches in the United States and Canada:

Aberdeen, S. D.	Calgary, Alta.	Dubuque, Iowa	Hamilton, Ont.	Los Angeles, Calif.	Oklahoma City, Okla.	Saginaw, Mich.	Springfield, Mass.
Akron, Ohio	Camden, N. J.	Duluth, Minn.	Harrisburg, Pa.	Louisville, Ky.	Omaha, Neb.	St. Cloud, Minn.	Springfield, Mo.
Albany, N. Y.	Cedar Falls, Iowa	East St. Louis, Ill.	Helena, Mont.	Madison, Wis.	Ottawa, Ont.	St. John, N. B.	Springfield, O.
Altoona, Pa.	Cedar Rapids, Iowa	Eau Claire, Wis.	Houston, Texas	Mankato, Minn.	Parkersburg, W. Va.	St. Joseph, Mo.	Syracuse, N. Y.
Amarillo, Tex.	Charlotte, N. C.	Edmonton, Alta.	Hutchinson, Kan.	Mason City, Iowa	Parsons, Kan.	St. Louis, Mo. (2)	Terre Haute, Ind.
Atlanta, Ga.	Chattanooga, Tenn.	Elizabethtown, N. J.	Indianapolis, Ind.	Memphis, Tenn.	Peoria, Ill.	St. Paul, Minn.	Toledo, Ohio
Auburn, N. Y.	Cheyenne, Wyo.	Elmira, N. Y.	Jackson, Mich.	Miami, Fla.	Philadelphia, Pa.	Salt Lake City, Utah	Topeka, Kan.
Aurora, Ill.	Chicago, Ill. (3)	El Paso, Tex.	Jacksonville, Fla.	Milwaukee, Wis.	Phoenix, Ariz.	San Antonio, Texas	Toronto, Ont.
Baltimore, Md.	Cincinnati, Ohio	Erie, Pa.	Jersey City, N. J.	Minneapolis, Minn.	Pittsburgh, Pa.	San Diego, Calif.	Utica, N. Y.
Birmingham, Ala.	Cleveland, Ohio	Estevan, Sask.	Joliet, Ill.	Minot, N. D.	Portland, Me.	San Francisco, Calif.	Vancouver, B. C.
Billingham, Mont.	Columbus, S. C.	Evansville, Ind.	Kankakee, Ill.	Montreal, Que.	Portland, Ore.	Saskatoon, Sask.	Waterloo, Ont.
Birmingham, N. Y.	Council Bluffs, Iowa	Fargo, N. D.	Kansas City, Mo.	Nashville, Tenn.	Providence, R. I.	Seranton, Pa.	Watertown, N. Y.
Bismarck, N. D.	Dallas, Texas	Fort Dodge, Iowa	Knoxville, Tenn.	Newark, N. J.	Quebec, Que.	Shreveport, La.	Watertown, S. D.
Boston, Mass.	Davenport, Iowa	Fort Wayne, Ind.	Lethbridge, Alta.	New Haven, Conn.	Quincy, Ill.	Sioux Falls, S. D.	Wichita, Kan.
Brandon, Man.	Dayton, Ohio	Fort Worth, Texas	Lexington, Ky.	New Orleans, La.	Regina, Sask.	Sioux Falls, S. D.	Williamsport, Pa.
Bronx, N. Y.	Denver, Colo.	Gary, Ind.	Lincoln, Neb.	New York, N. Y.	Richmond, Ind.	South Bend, Ind.	Winnipeg, Man.
Brooklyn, N. Y.	Des Moines, Iowa	Grand Forks, N. D.	Little Rock, Ark.	No. Battleford, Sask.	Richmond, Va.	Spokane, Wash.	Winnipeg, Minn.
Buffalo, N. Y.	Detroit, Mich.	Grand Rapids, Mich.	London, Ont.	Ogdensburg, N. Y.	Rochester, N. Y.	Springfield, Ill.	Winston-Salem, N.C.
Cairo, Ill.		Green Bay, Wis.	Long Island City, N. Y.		Rockford, Ill.		Yorkton, Sask.

When buying an INTERNATIONAL TRUCK please mention Nation's Business

All the great Southwest claims

WHERE the broadening Missouri River bends eastward through the richest plain in the world stands the most distinctly American metropolis—Kansas City. Spreading over the confluence of two rivers, extending its metropolitan area into one of the greatest agricultural districts of America, this extraordinary city has become the focal point for a natural region that embraces five states.

Originally a trading station for the fur-hunters of the Northwest, it became the eastern terminus of the Southwest trade and an outfitting point for the stream of immigrants to California. Today it is one of the most important railroad centers in the world—with all the wealth of the Southwest pouring into it, all the riches of the plains of Kansas, Missouri, Oklahoma, Arkansas contributing to its extraordinary beauty and prosperity. Some factors that make it great are:

LOCATION: A natural geographic and economic center for the oil fields of Oklahoma, Kansas, Texas, the tremendous agricultural resources of surrounding states and enormous quantities of livestock. An unusually beautiful countryside. The famous medicinal waters of Excelsior Springs.

POPULATION: Nearly half a million; 95% native-born Americans, singularly free from labor troubles. A united community, alert, happy, renowned for its public spirit. Builders of great art galleries, magnificent buildings, wonderful parks and boulevards.

TRADE: Serves 19,000,000 people! Ranks first in distribution of agricultural implements and seeds. Largest primary wheat market; second largest livestock and meat packing center. Third largest grain market and distributor of butter, eggs and poultry.

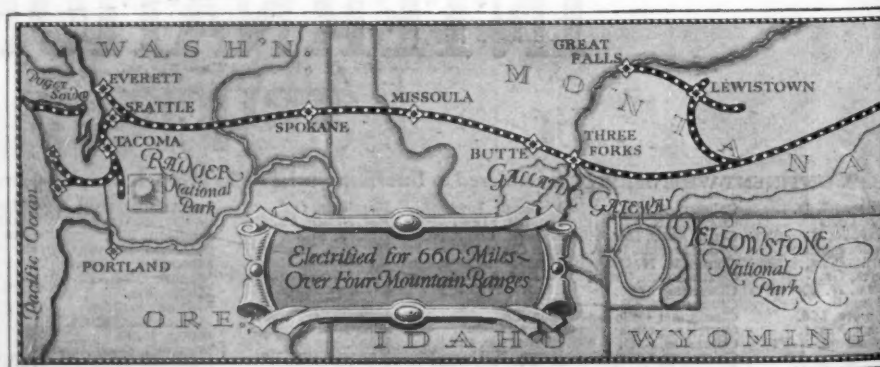
RESOURCES: Tremendous wealth of raw materials available from the West and Southwest. Vast beds of bituminous coal near at hand. Oil piped direct from the oil fields. **TRANSPORTATION:** Thirteen railroads serve Kansas City. A vast funnel of traffic from the South and West pours in. The Chicago, Milwaukee & St. Paul forms an outlet for this funnel with its direct line to Chicago, the Twin Cities and all points north and east.

To Westerners, Kansas City is one of the best-known and best-loved cities in the United States. It was the root from which colonization to the south and west drew sustenance and inspiration. And it is today not only the commercial and industrial metropolis of the Southwest, but a cultural center whose fame is world-wide. It has created for itself a striking individuality, and its destiny is limited only by the genius of the American people. As Paris rises on rolling hills above the Seine and draws to itself the riches of the great plains of France, so Kansas City, spreading over hills equally beautiful, draws to itself the riches of a plain even broader than France—a plain broken by the delightful Ozarks to the south, and rising in tremendous green and golden waves to the snow-tipped Rockies in the west. Kansas City similarly possesses the invaluable advantage of central position on a sea-girt continent. *It is exactly in the heart of the United States.*



SHORTEST AND MOST MODERN
ROUTE TO THE
PACIFIC AND THE ORIENT

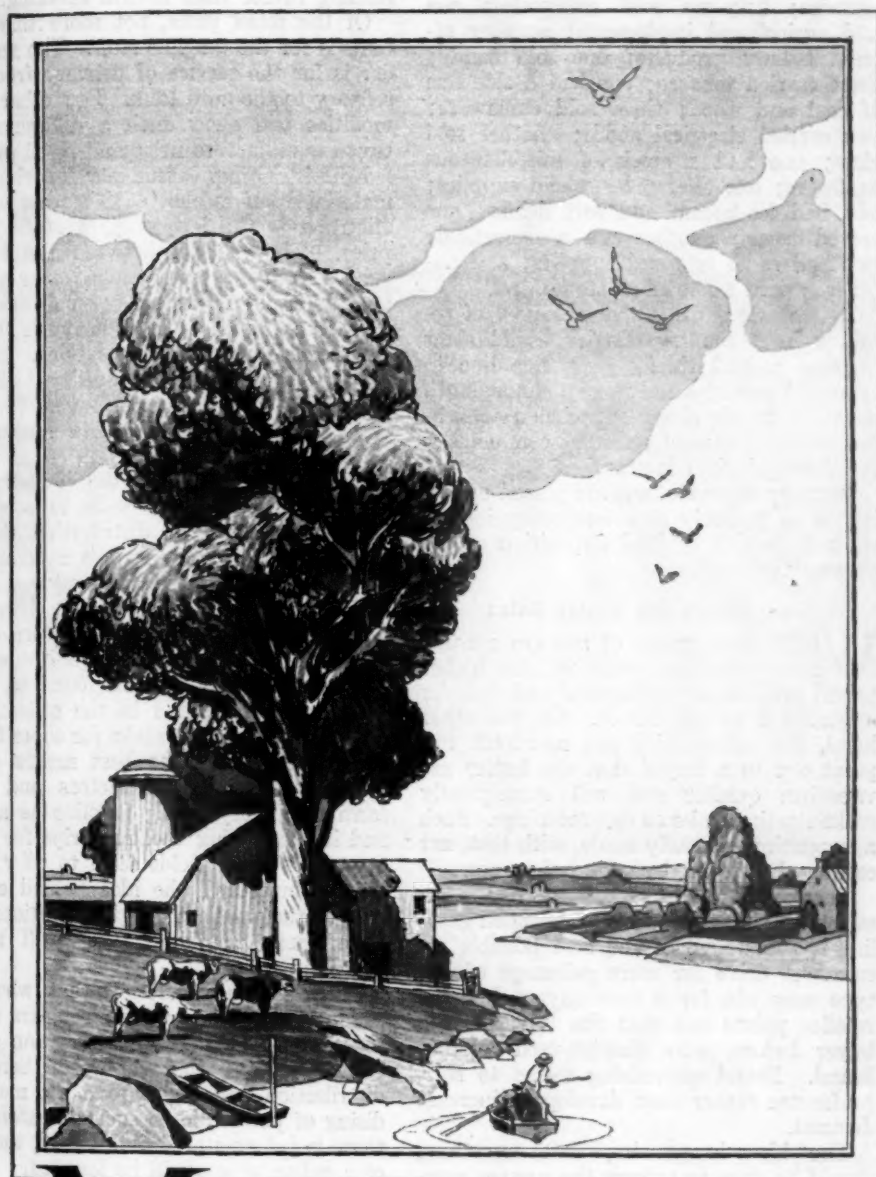
The



The recognized route between Chicago, Milwaukee and Twin Cities,

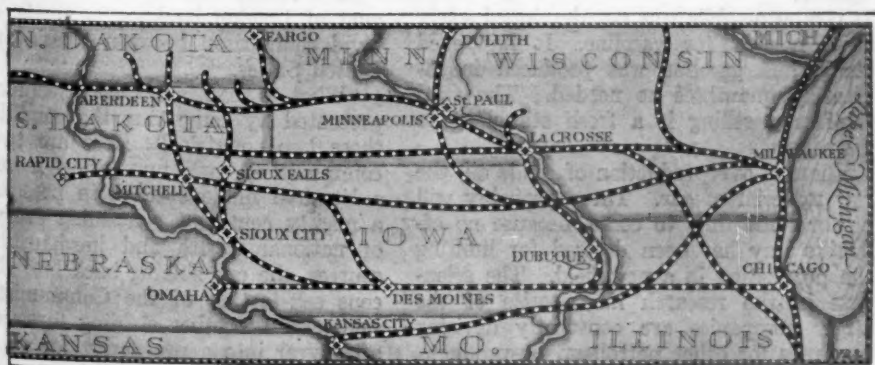
When writing to CHICAGO, MILWAUKEE

Kansas City as its own



MILWAUKEE

ROAD



The railroad serves a vast region

It is an overnight run from Kansas City to Chicago over the Chicago, Milwaukee & St. Paul Railway. Splendid trains and the famous "Milwaukee" service make the trip between these dominating cities a pleasant interlude in business.

This railroad not only serves Kansas City, but with its lines across golden Iowa, it serves with equal facility the great gate to the west—Omaha. Its vast system, extending over 11,000 miles of track, operated by 60,000 employees, forms a network from Kansas City to the Twin Cities and Duluth, from Chicago and Milwaukee to Puget Sound and the Pacific. It links up all important centers northwest of the lower Mississippi Valley; its spur lines tap vast resources of raw materials.

Farm implements, machinery, tools, seeds, pure-bred stock, and people in an endless stream pour through this artery, bringing energy and life to new regions. Pulsing back comes the flow of raw materials upon which the great industrial centers are fed.

The rapidly swelling population of the United States is constantly demanding new outlets. Far-seeing industrial and commercial leaders are closely studying the trend of commerce towards Pacific outlets and the possibilities in the immensely rich hinterland. *The Chicago, Milwaukee & St. Paul is the shortest link with the Pacific Northwest—electrified for 660 miles!*

Milwaukee passenger cars are now being equipped with roller bearings—a revolutionary improvement first adopted by this road.

If you are going to the Coast, by all means go west on "The Milwaukee." You will see the most diversified scenery in America—a new empire bursting ripe with opportunities!



Room 884, Chicago, Milwaukee & St. Paul Railway Union Station, Chicago, Ill.

Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

- | | |
|---|---|
| <input type="checkbox"/> Puget Sound | <input type="checkbox"/> Eastern Dakotas |
| <input type="checkbox"/> Inland Empire | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana | <input type="checkbox"/> Minneapolis-St. Paul |
| <input type="checkbox"/> Kansas City | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Agricultural Montana | <input type="checkbox"/> Iowa |
| <input type="checkbox"/> Upper Missouri R. Valley | |

Name _____

Street _____

City _____ 5-K

Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma

1927 Power Show



ENGINEERING education is never finished. Progress year by year, even day by day, constantly develops new ideas, new methods, materials and machines. Only the engineer and the employer of engineering services who keeps up with progress can make the most of opportunities for enhanced usefulness and earning power.

Constant study is necessary. Reading the technical publications regularly is essential. Supplementing both of these activities by actually seeing the latest and best produced by manufacturers caps the climax.

At the Sixth National Exposition of Power and Mechanical Engineering in New York you will have an opportunity to see the most widely used and approved aids to efficient, economical power generation, transmission, application, measurement and control, heating and ventilating and allied fields.

Make a note of the date now. Call it an appointment. Bring an associate. Let's Go.

**Sixth National
Exposition of Power
AND MECHANICAL ENGINEERING
Including Heating and Ventilating**

**Grand Central Palace, New York
December 5th to 10th, 1927**

*Management International Exposition Company
largest industrial exposition organization in the world*

⊕ 2023

When writing please mention Nation's Business

An Army Fights to Fill Your Gas Tank

(Continued from page 20)

of income. Seven had auto and truck agencies; fifty-one sold accessories; one sold agricultural implements; another offered bakery products; one sold candy; three carried tobacco; one had a side line of coal and wood; three sold chinaware; two carried electrical goods; another sold glass; one had a stock of miscellaneous hardware; one offered household supplies; two had ice cream and soft drinks; one served meals; another ran a newsstand; two had radio sets and supplies; and another carried a line of oil stoves.

It is a safe surmise that a survey of retailing in a country district would show gasoline carried chiefly as a side line to crossroad groceries and general stores, lunch counters, repair shops and such establishments which depend on other commodities for their principal income.

In many cities stations are placed on unimproved property as a temporary income against the day of final disposition of the property.

Tact Makes for Better Sales

WHEN two grades of gas are carried, many retailers refer to the higher priced product as "sucker gas" and wait for a customer to ask for it. On the other hand, the enterprising gas merchant can point out to a buyer that the better gas vaporizes quicker and will consequently make starting easier on cool mornings. Such a suggestion, skillfully made, with tact, not coaxing, has secured results before now.

Thoughtful retailers sometimes ask themselves whether advertising of branded gasoline is productive of the best possible results. A drive for more gallonage of one type may win for it new buyers, but the retailer points out that the buyer was a buyer before, who simply used another brand. Brand advertising seems to shift preference rather than develop or increase demand.

The idea is growing that something should be done to enlarge the present market by making the individual use more gas. If the average annual consumption of the typical motorist could be added to by even 10 gallons or less, with little or no increase in overhead, the retailers are realizing that they would be benefited noticeably. More gas stations will simply spread the profits thinner.

The automobile was not developed solely as a market for gasoline. It happened along, and gasoline was produced in increasing quantities as needed. The two-car-family selling is a fresh stimulant to gas sales.

There is overproduction of crude oil, the raw material of gas. There probably will be for some time to come, because no effective way has been devised for limiting the production in a new field. The scientists in the research laboratories of the larger companies are constantly devising new uses for other petroleum by-products, but, with few exceptions, little is being done toward increasing gasoline consumption.

Predictions of the day when crude oil resources will be exhausted are becoming

fewer. The best brains of the industry have been directed toward production and refining rather than toward retailing.

Of the retail price, not more than five cents is for the tangible stuff. The remainder is for the service of delivery from the refinery to the auto tank. Few other commodities will show such a difference between manufacture price and retail price.

Milk is another commodity for which the material itself is cheap. The cost of distribution is the largest part of its retail price. The parallel between the two is good. Both must be supplied over a large area and sold in relatively small amounts.

To the credit of the industry is the attractiveness of many gas stations. Beauty as a part of the merchandising technique of gasoline is a fortunate usage. In many cases filling stations put the surrounding retail section to shame.

The organizations in the industry will probably get together soon to solve the ticklish problems of distribution through organized effort, to improve markets and to find or create new consumption.

Through cooperation, rather than competition, gasoline has its best future, in the opinion of the experts. A few instances of where cooperation may be found to be effective may be found in the collection of facts on the uses of trucks for short freight hauls; studies in the best means of increasing the uses of tractors and other farm machinery, using gasoline as a fuel; and in advocating vacation trips for pleasure cars. These fields seem to offer possibilities, but, until the idea behind each is sold to the public through educational and advertising campaigns, they will remain possibilities.

It is a safe prediction that when the producers, wholesalers and retailers do get together, through trade association activities, to cut out whatever waste there is in distribution and to improve the merchandising of petroleum to such an extent that there is yet greater profits for all, the price of a gallon of gas will be lowered.

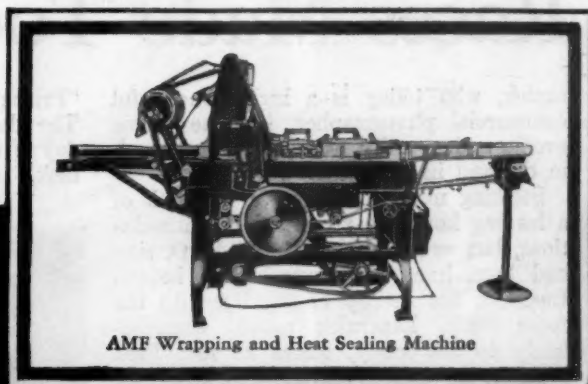
Russia and U. S.

THERE is no more effective orator in Great Britain than Winston Churchill, the present Chancellor of the Exchequer.

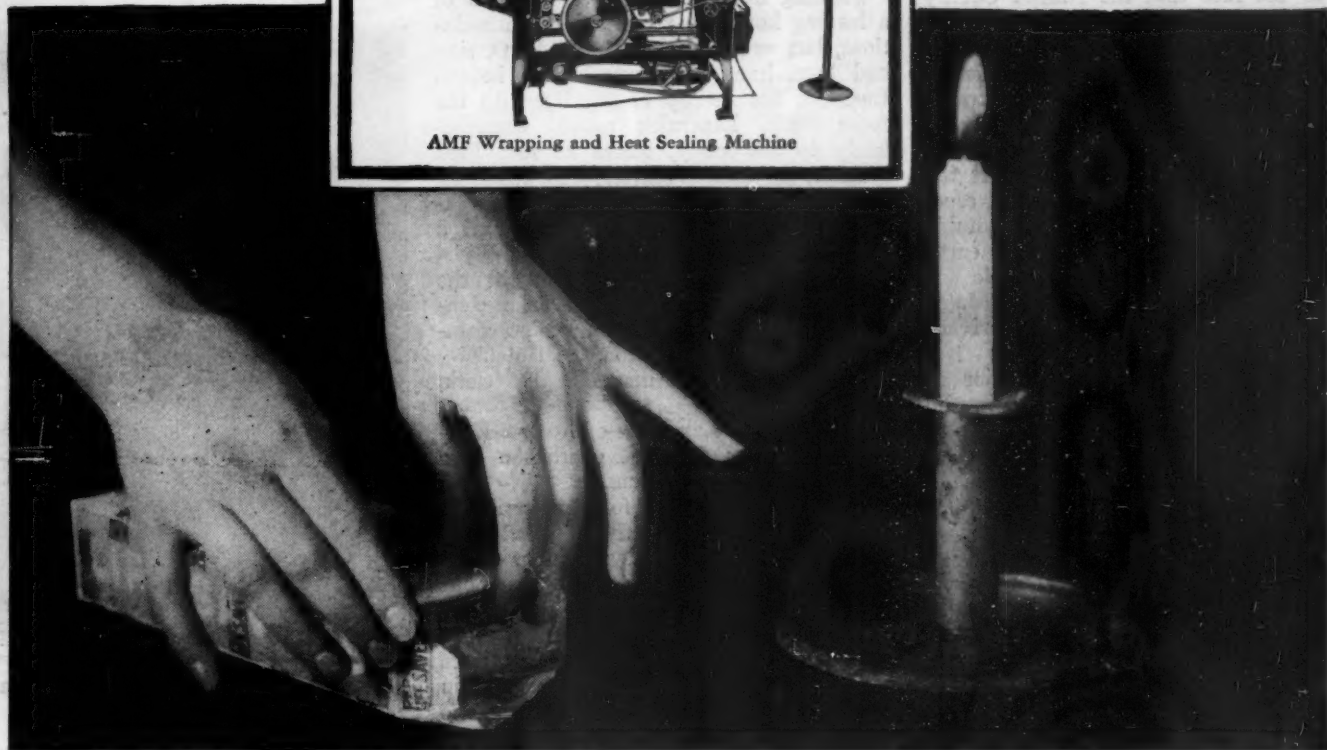
In a recent address at the annual banquet of London bankers, he made a most vivid comparison between Russia and the United States.

"What a contrast," he exclaimed, "is presented by comparing the conditions of these two countries! Here are two vast communities, each numbering more than a hundred millions—each in possession of a mighty continent containing every form of national wealth and inexhaustible resources, the one sinking back into the hideous self-torture of the Communist delusion, and the other striding forward year after year into a prosperity for all classes of the people without parallel or precedent."

That is the most unforgettable and effective bit of oratory that London has heard for many a day.



AMF Wrapping and Heat Sealing Machine



Your producing partner—machinery is it industrious?

YOU expect a business associate to be industrious—why demand anything less of your real producing partners, automatic machinery?

You may be certain of that greatly-to-be-desired quality in AMF machines. For a quarter of a century they have proved how industrious many industries can be—when real producing partners shoulder the brunt of the work.

Perhaps no one of the great variety of AMF labor-savers will better illustrate this point than the wrapping and heat-sealing machine illustrated. Its function is to wrap a package or carton in waxed paper, and by means of the application of heat to the laps and folds of the paper, to seal this wrapper securely, thus keeping out moisture.

The packages to be wrapped usually come to the machine on a conveyor belt which delivers them to the wrapping mechanism without further handling. Thereafter the operation is entirely automatic, and another conveyor belt may be used to take the wrapped packages away from the machine.

AMF wrapping machines, developed for heat-sealing or paste-sealing, are helping to prepare much of the world's best known packaged goods for the market, quicker, more surely and economically. Let our engineering staff devise a better method of handling *your* wrapping problems.

AMERICAN MACHINE & FOUNDRY CO.
5502-5524 Second Avenue, Brooklyn, N. Y.
*Foreign Representatives at 58 Holborn Viaduct,
London, England
and No. 1, The Bund, Shanghai, China.*

AUTOMATIC MACHINERY

Yesterday's Races Made Today's Car

(Continued from page 25.)

There were few fatalities as a result of this wholesale trespass upon the course, but the imminence of it so worried officials of the race that the Nassau County course was finally abandoned.

It was at Ormond Beach, Florida, that many important chapters in the history of speed were written in parallel tracks down the hard, smooth sand. Ormond, with its level stretch of beach, smooth and flat as a ballroom floor, offered the ideal setting for the early speed tests, especially in view of the dearth of suitable tracks in those days. No spot on earth has since been found more suitable for high speed tests, as is attested by Major Seagrave's choice of Ormond for his recent record-breaking speed tests.

It was at Ormond that the donor of the Vanderbilt Cup drove a mile in the world's record time of 39 2-5 seconds, breaking Henry Ford's record made on the ice at Lake St. Clair, Michigan, in the world famous "999" later driven by the immortal Barney Oldfield.

A "Prince" at the Race

THE racing meets at Ormond drew many notables to that resort. On one occasion, hotel capacity was taxed to the limit, and late arrivals were faced with the possibility of sleeping beneath the Palm trees for which the place is famous.

Among the tardy participants was Nathan Lazarnick, for many years the official photographer of the industry. Laz-

arnick, who today is a highly successful commercial photographer, has the classic profile and swarthy features now so much in demand in the movie world.

Stalking majestically up to the desk of a leading hotel, he requested accommodations, but was told that the S. R. O. sign had been hung out several days before. Realizing the futility of arguing with the room clerk, Lazarnick retired disconsolately to the lobby, where he met Fred Wagner, the famous starter, who was down in Ormond to give the racers the checkered flag. "Wag" immediately evolved a plan.

Unknown to Lazarnick he sought the room clerk. "This is terrible," he complained. "I understand you can't accommodate Prince Lazarnick at the Hotel."

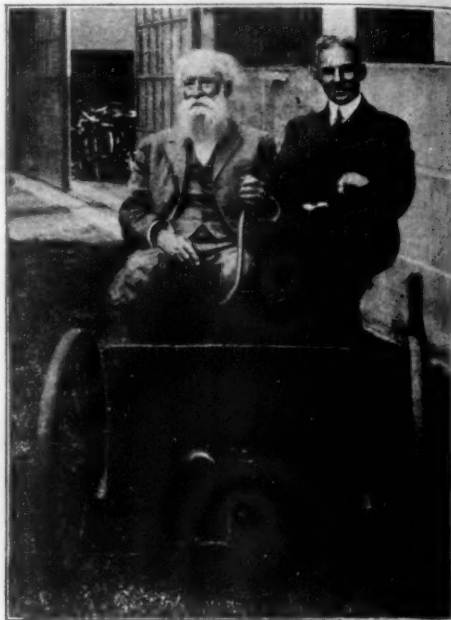
"Prince who?" demanded the clerk, greatly surprised.

"Why, Prince Lazarnick of Austria-Hungary, the dark featured gentleman who just asked you for a room."

Thereupon the hotel force materialized into a whirlwind of activity. Bell boys tore through the lobby, trunks were whisked about, and inside of an hour Lazarnick was entrenched in a gorgeous suite. Florida knows how to treat royalty.

Wagner signed the register, "Prince Lazarnick and Secretary," the secretary in reality being the man who lugged the heavy cameras. But the hotel employees were not the only ones deceived. W. K. Vanderbilt, an entrant in the championship race, and W. Gould Brokaw met the

"Prince" and seemed properly impressed. The deception was maintained until the day of the championship race, when Lazarnick, bent upon the duties which had



PHOTOS © BROWN BROS.

John Burroughs and Henry Ford in the first Ford

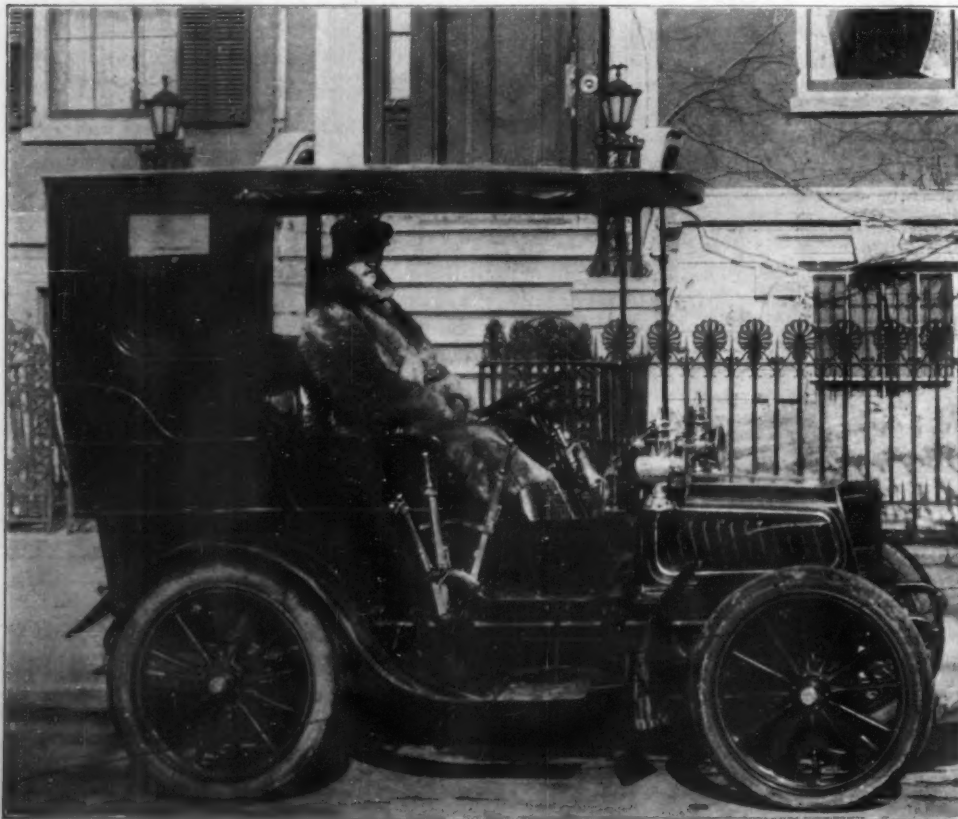
brought him to Ormond, sprinted about snapping pictures of cars and drivers in a manner not at all befitting the dignity of a prince. Lazarnick to this day is known as "Prince" to his friends.

One of the greatest of the Ormond races was the one of 1904 in which W. K. Vanderbilt met Oldfield in a match race for the one mile championship. Vanderbilt was an astute driver, but on this occasion he lost a championship through being out-manuevered by the always crafty Oldfield. Vanderbilt's imported Mercedes car had three speeds and Oldfield's Winton only two. The race called for a flying start, and Vanderbilt on the pole, and therefore setting the pace which Oldfield must follow, ran down to the starting line in his second gear instead of high, forcing Barney to stay in his low gear in order not to run ahead before the actual start was reached. Vanderbilt knew that if the two cars crossed the start together on that basis, his shift from second to high would mean a quick pick-up as against a slow pick-up for his opponent.

Tricks in All Trades

BARNEY appreciated the trick and hung back purposely, causing several false starts. The judges, frantic at their inability to get the race under way, called the two contestants together and insisted that they cross the line together on the next start. Oldfield replied, "Call the next one the start no matter how far behind I am."

Vanderbilt followed the same procedure



Mayor McClellan's auto at his residence, Washington Square, N. Y. The driver seems to have all the best of it in the matter of room



The Armco ingot iron roof over the coal room of the Huron Portland Cement Co., Huron, Mich., has already given twice the life of steel on the same building and is still in good condition.

The fire* that makes no smoke is costing industry millions!

Every year RUST takes its huge toll of equipment and profits. But millions are saved too—by using rust-resisting Armco ingot iron.

NO CRACKLING flames or tell-tale smoke give warning of rust-fire. Yet day in and day out, this slower, more treacherous, fire is consuming the costly tools of industry.

No insurance policies cover this loss. It is written off in depreciation figures that run into millions... figures that might have been profits. How to fight rust-fire? Many big industrial firms are insuring their enormous equipment investments this way—by specifying Armco ingot iron for every sheet metal use.

This iron is practically free from the impurities that cause rust in steels and other irons. Because it is the purest iron made, Armco ingot iron is unequalled in resisting rust. Armco ingot iron is giving long-life service under the most severe condi-

tions—in moisture-laden air, amid coal dust and gases, attacked by corrosive fumes.

For railroad cars, coal handling equipment, industrial buildings, tanks, smokestacks... and all other rust-exposed sheet metal work... Armco ingot iron is the enduring, low-cost material.

Moreover, the use of Armco ingot iron saves time and labor costs in building and repair work, because it is so ductile and easy to handle. Remember, sixty cents of every dollar on a sheet metal job is spent for labor... no matter what material is used, or how long it will last.

Whether you are going to build or repair, you will save money by insisting on Armco ingot iron for all sheet metal work. Look for the Armco Tri-

angle on every sheet. This triangle identifies the purest iron made.

And in

the HOME... Home owners and

builders, too, are saving the cost and annoyance of frequent repairs. They are

insisting on galvanized Armco ingot iron for gutters, downspouts, flashings... and other weather-exposed metal parts about a house. Here, Armco

ingot iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the Armco Shop Sign.

AMERICAN ROLLING MILL COMPANY
MIDDLETOWN, OHIO



ARMCO
INGOT IRON
RESISTS RUST

*Rust... Fire... The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.



Growth is a Habit in Roanoke, Va.



1927~Doubled Population in 17 Years

WHAT unusual industrial advantages are offered by a city which has grown from a population of only 400 in 1882 to nearly 80,000 in 1927?

Why has the population of Roanoke been almost doubled in the last seventeen years?

Why did the largest plant of its kind in the world—making a product that could be produced almost anywhere—select Roanoke in preference to all other cities?

Why did the three largest plants of their kinds in the South select Roanoke as the place in which they could produce most economically and distribute to the best advantage?

Before you select a site for your new plant, your new branch or your new warehouse you should know what has caused Roanoke's phenomenal growth.

The very facts you need are set forth in "The Roanoke Brief."

Write for it, on your business stationery, today.

It will give you information about rich markets, low-cost labor, availability of raw materials, cheap power, excellent railroad facilities, etc., that may be a revelation to you.

You cannot afford to overlook Roanoke's advantages. Write for The Brief today. No obligation.

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207 JEFFERSON STREET

ROANOKE VIRGINIA

One of America's
Finest Scenic Sections



Come here by motor. Your route will take you beneath imposing mountains, through beautiful valleys, past turbulent trout streams and broad rivers, and by the most famous caverns in America: Presenting a constantly changing panorama that cannot be surpassed.

You will have an opportunity to observe the rich agricultural and mineral resources of this favored section.

We've planned your route for you. Send for the booklet "The Log of the Motorist Through the Valley of Virginia and the Shenandoah."

CHAMBER OF COMMERCE • ROANOKE, VIRGINIA

as before and this time Oldfield hung even farther behind him coming down the beach. Then as he neared the starting line, Barney slipped his car into high and came forward with a tremendous burst of speed, so well timed that he drew abreast of Vanderbilt just as the two cars crossed the starting line. It was a perfect get-away, but Oldfield was traveling at far greater speed than his rival and immediately opened a gap of sixty yards between the two cars before Vanderbilt could get into his high speed and really under way.

Vanderbilt's car was the faster of the two and down that mile of smooth, unbroken beach he gained steadily on the flying Barney. But the lead was too great and at the finish Oldfield was still two lengths ahead, sufficient margin to win him the one mile American championship.

Ormond was the laboratory in which the formula for speed on wheels was developed. Freak designs and novel engineering principles tried out there on racing cars lent an element of uncertainty to performances that was refreshing, not to say dangerous.

In a powerful car of novel design, a Stanley steamer, Fred Marriott of Boston nearly lost his life in a brave effort to drive two miles in one minute on the smooth sands of Ormond during 1906. His car strangely resembled an inverted canoe, and preliminary tests seemed to indicate that it had sufficient speed to create the record he sought.

Just previous to the test an inspection of the beach was made, and it was found that a recent tide had cut some slight furrows in the sand near the starting line. Marriott was advised not to make the attempt but he waved all objection aside and climbed into his car. Taking a long run down the beach he approached the starting line at the terrific speed of 120 miles an hour and struck one of the little furrows. His front wheels bounced clear of the ground and the peculiar, inverted construction of the vehicle caused the air to pocket under his front gear, holding it clear of the beach for several seconds. The car was almost flying! Meanwhile Marriott whirled his steering wheel frantically in a vain effort to ground his car. When it finally did come down the wheels were cut at a sharp angle and half skidding, half tumbling, the car, still running at two miles a minute, plunged into the ocean which flanked the beach course. There was a tremendous cloud of steam and the car with Marriott in it, disappeared beneath the waves. His escape was a miraculous one. Although badly injured he recovered and is still alive.

Oldfield still stands out as the Grand Old Man of American racing. Always pictur-

esque, often sensational, his was a personality that attracted a great following. He enjoyed a long career on American tracks and was still considered a highly capable driver when well past middle age.

One year at the Sheephead Bay Race, Oldfield, who seemed to have passed the peak as a race driver, was attempting to regain his lost laurels. His skeptical manager was Bill Pickens, now assistant to C. C. Pyle in the latter's work of promoting professional sports.

Barney was experiencing difficulty, and had fallen four laps behind. He was not sure, however, of his standing, so at his next stop at the pits for gasoline, he yelled to his manager, "What's my position?"

"Most embarrassing," replied Pickens.

While speed tests were developing principles of automobile construction, reliability tours were providing a "survival of the fittest" process that was weeding the impractical innovations from the practical ones. Many a principle which gave satisfaction in hot-house reared racing cars failed to meet the requirements of the ordinary

stock car. Tours, road-runs and reliability contests set in motion this practical and cruel selective process.

The early tours, or road-runs, as they were sometimes called, were not high speed tests, but were conducted under rules designed to show the reliability of factory-built vehicles. Routes were laid out through country that would offer the severest kind of test and a stopping place designated for each night.

Cars were required to start not before a certain hour each day and to finish each day's run within a certain time limit. Penalties, expressed in points or demerits, were imposed for late arrival, delays, repairs and all other evidences of irregular performance. The object was to register as near a perfect score as possible.

In addition to developing dependability, the early tours did much to spread the fame of the motor car. The routes brought automobiles to places where they had never before been seen. The cars which laid out the courses penetrated into almost unknown districts, far from railroads. During the course of one lay-out trip in Canada, children approached the vehicles wonderingly, and offered pennies for a ride, thinking that the procession must be some kind of a traveling show. And that wasn't twenty years ago!

The early tours were in reality business processions, but there was about them that spirit of competition and determination that characterizes amateur sport. Else why would men, already out of the running as



PHOTO © BROWN BROS.

Not quite twenty years ago!

For the Conversion of Any Skeptic

(If one is skeptical of either the quality or variety or economy of Multigraph printing)

Read the letter and then look up The American Multigraph Sales Company in your telephone book. We have branch offices in 50 principal cities.

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Gentlemen:

About a year and a half ago we installed our first Multigraph printing unit with the idea in mind of doing our own form-letter work and on the strength of samples of Multigraph printing we had seen, we had hoped to do some of our own printing.

Frankly, we were skeptical, particularly on the point that we could turn out on a form-letter machine, printing that would compare in quality with the work we had been getting from our printer.

Since installing the first equipment however, we have done all of our form-letter work and all of the printing of stationery, office forms, report forms, etc., which are used by not only the main office, but all of the district offices of the organization which distributes CANADA DRY in the Western half of the United States; and the workmanship has been more than satisfactory in every instance.

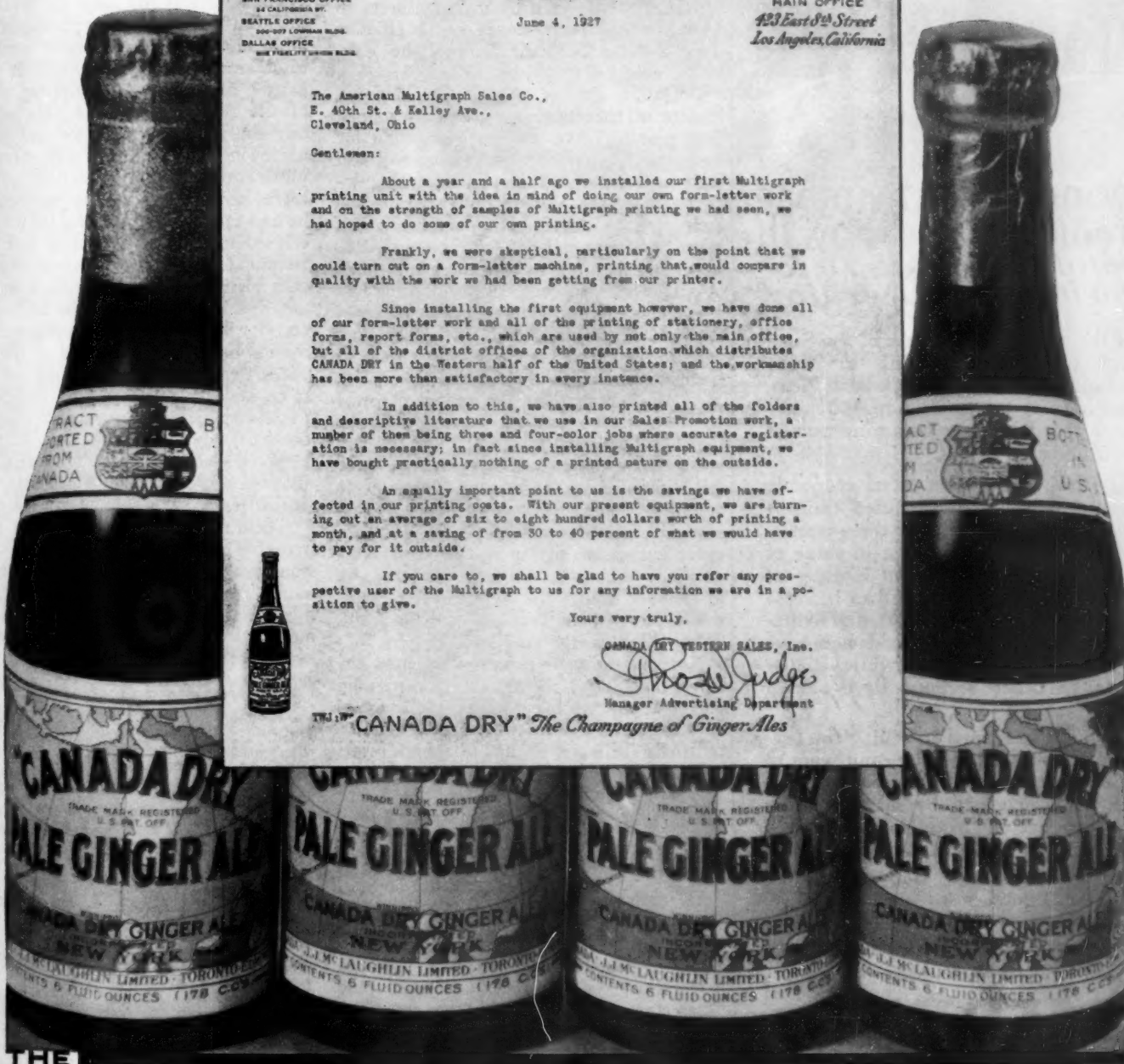
In addition to this, we have also printed all of the folders and descriptive literature that we use in our Sales Promotion work, a number of them being three and four-color jobs where accurate registration is necessary; in fact since installing Multigraph equipment, we have bought practically nothing of a printed nature on the outside.

An equally important point to us is the savings we have effected in our printing costs. With our present equipment, we are turning out an average of six to eight hundred dollars worth of printing a month, and at a saving of from 30 to 40 percent of what we would have to pay for it outside.

If you care to, we shall be glad to have you refer any prospective user of the Multigraph to us for any information we are in a position to give.

Yours very truly,
ROSE JUDGE
Manager Advertising Department

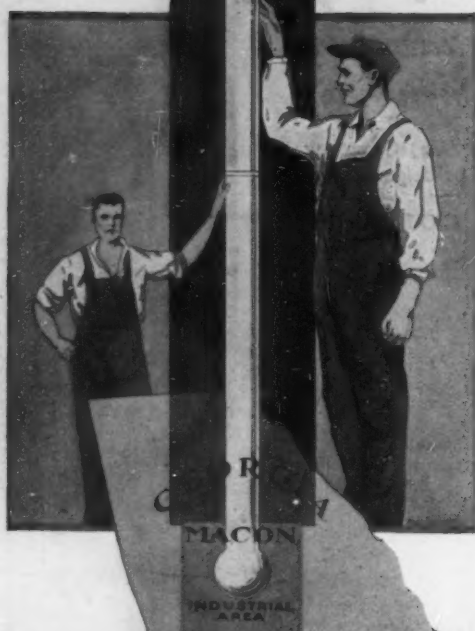
THE "CANADA DRY" The Champagne of Ginger Ales



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Value of Manufactured Products 1923 1926 30.5% Increase



Economic Advantage Creates this Growth — and Opportunity for You in Middle Georgia!

IN the geographical center of the State of Georgia, where the Piedmont Plateau meets the upper Coastal Plain, is an area of approximately 100 miles square that is rapidly becoming a great manufacturing district.

Growing recognition of its economic advantages has already caused tremendous strides within the last three years—an increase of 30.5 per cent in value of manufactured products; an increase of 22.8 per cent in pay rolls and an increase of 243 per cent in consumption of hydro-electric power. Plant dividends here have been exceptionally large while similar plants in other sections have shown losses.

If you're interested in selling the fast-growing Southern market—and want to sell at a greater profit—the basic economies you can effect, by manufacturing your product in Middle Georgia will appeal to your business judgment.

Detailed information on the extra profits to be derived in your line will be furnished gladly, on request. Address:

**CHAMBER OF COMMERCE
Macon, Georgia**

MIDDLE GEORGIA Industrial Area

**—Where Production Savings Alone
Will Pay Plant Dividends!**

When writing please mention Nation's Business

far as the prizes were concerned, wait three days for a new axle and then race for a week to catch up with the "bunch" merely for the satisfaction of completing the course with them? Why should men struggle and strain for many hours to force a car to slither out of a mudhole under its own power, when the field beside them contained oxen that could have extricated the vehicle in a few moments?

The Glidden Tour contested for a trophy presented by Charles J. Glidden, a merchant of Boston, was the classic of all reliability contests and soon assumed such a national prominence that car manufacturers bent every effort to attain creditable records in the event because of the advertising possibilities that such performance offered.

A Determined Plan to Win

THE PAINS taken by manufacturers to insure real performance in the Glidden Tour is typified by the plans of the Maxwell Motor Company, in 1912.

Benjamin Briscoe and J. D. Maxwell, leaders of the company, were determined that year to make proper preparation for the test. The tour was scheduled to begin early in October and the manufacturing department of the Maxwell organization was instructed to deliver five cars in tip-top shape on September 1—no later. After much arguing for more time, and much overtime work to compensate for time lost in arguing, the production men delivered the cars on the designated day. The purpose of the time limit was, of course, to permit sufficient time for tuning up.

Ads were inserted in the papers of towns on the route of the tour, reading, "Watch the White Maxwell Squadron," and dealers in every town organized receptions to meet the Maxwell team. In addition, three pieces of advertising copy were prepared and mats of them for newspaper use sent to every important city in the country. One ad read, "Maxwell Makes a Perfect Score in Glidden Tour," the second read, "Maxwell Wins Glidden Trophy," and the third, "Maxwell Wins the Anderson Trophy."

Newspapers were requested to hold the three mats until instructions for running one of them were telegraphed. In the case of a perfect score, mat number 1 was to be used. If Maxwell had the best score,

but not perfect, the second mat was ready and if the score was good enough to win only the Anderson Trophy, the lesser honor, the third piece of advertising was to be used. Thus timely copy was available in all parts of the country if Maxwell did anything worth advertising. The Maxwell team finished the tour with the only perfect score, making a clean sweep of all prizes.

To be towed in while on the tour was the greatest ignominy of all and was an alternative never embraced except as a last resort. On one occasion a leading make of car suffered a breakdown that necessitated the reluctant use of the tow-rope. As the crippled car neared the evening stopping place its shamefaced occupants espied the official photographer of the tour standing at the roadside with camera pointed toward them. A moment later he disappeared.

That night at the hotel the leader of the towed-in car sought the photographer and in a highly excited manner accused the cameraman of attempting to ruin the company's reputation by snapping a picture of the tow-rope incident. He offered to buy the plate at any price and painted a harrowing picture of the dire effects of the publication of such a picture. The photographer, nettled at the accusation that he had taken such a picture for publication, refused to discuss the matter and the contestant took his leave wrathfully. Later that night, he met the picture man again and apologized for the bribe he had offered and for his haste in assuming an ulterior motive behind the snapping of the picture. All the cars had been snapped coming into town and the tow-rope had not been seen at the time the picture was taken. The incident, however, is evidence of the keen personal feeling that the reliability contests induced. It wasn't only a matter of cars against cars. It was men against men.

These men whose dreams those cars represented were keenly aware of the value of the seemingly brutal tests. They broke down, rebuilt, discarded, innovated, in their quest for the better car. And through the ordeal by speed the modern automobile was developed.

(This is the second of several articles by Mr. Batchelder on the development of the automobile. The third will appear in an early issue.)

What of the St. Lawrence?

By HUGH J. HUGHES

Former Assistant Executive Director of the Great Lakes-St. Lawrence Tidewater Association

IN ITS simplest terms the proposal to improve the St. Lawrence means the erection of either two or three dams, the flooding of two great rapids, the building of locks and canals large enough so that ocean or Great Lakes ships can pass from Montreal to the head of the Great Lakes without breaking cargo. It means a waterway comparable only to the Suez or Panama.

It would afford a 27-foot channel from Montreal to Lake Ontario, and, in connection with the Welland Ship Canal, now building, would extend the operation of

the Great Lakes fleet to the ports of the lower St. Lawrence. It would admit to the Great Lakes ocean ships of less than 27-foot draft, and the 21-foot connecting channels of the Upper Lakes would allow ocean ships of that draft or less to enter the ports of Huron, Michigan and Superior.

Incidental to such navigation improvement the erection of the dams in the St. Lawrence would make available a potential 5,000,000 hydro-electric horsepower having a possible distribution radius of some three hundred miles, covering an

area extending as far westward as Rochester, New York, large portions of Ontario and Quebec Provinces, all of northern New York and the western and central portions of New England.

As to the waterway improvement three main points of view are expressed.

The first is that of its advocates, who say that it is necessary to the expanding transportation needs both of the United States and of Canada. The second is the viewpoint of those who agree that a ship canal connecting the Great Lakes with the Atlantic is essential to national growth, but who contend that such a canal should and must be via the route line of the New York Barge Canal. The third view entertained is that existing channels for trade to and from the interior of the continent are ample, and that further development of the interior should be cared for via the existing rail connections with the seaboard.

Back of these opinions there are certain facts essential to the situation—facts economic, engineering and international that belong in the picture.

The Mid-Western argument for the deepening of the St. Lawrence section of the Great Lakes-St. Lawrence-Atlantic route from the mid-continent to Europe may be stated briefly in these words:

"The interior of the North American continent is the farthest removed from its market, in transportation costs, of any of the leading food producing areas of the world.

"This is because, from the central producing areas to Europe, there is a long land haul and a comparatively short sea haul.

"Land haul is from ten to fifteen times as expensive as sea haul.

"By improving the St. Lawrence we lengthen the sea haul, cut out two transfers, and allow the export or intercoastal voyage to begin at Duluth or Chicago rather than at the Atlantic seaboard.

Freedom of the Seas for West

"THIS will save to the American and Canadian producer, whether farmer or manufacturer, whatever the extra transfers and needless land haul now cost—something like 10-12 cents a bushel on wheat, the price of which, to the American farmer, is made in Europe. This saving would lessen the existing handicap of the farmers—it would add something like \$70,000,000 a year to the local elevator price of his wheat alone.

"And it would do as much, and perhaps more, for the manufacturer. Our steel, automobile, packing and allied industries center in the Great Lakes region. For their future growth they demand foreign and intercoastal markets and the most direct, the lowest-cost road to those markets.

"The St. Lawrence route offers both. It pulls the shore of the Atlantic inland to all the Lakes ports. It brings the Pacific Coast closer to the Middle-West. It gives the mid-western manufacturer direct overseas contact with his market, and a cheaper road to that market.

"The Panama brought the Atlantic and Pacific coasts closer together, as to cost, than the interior is to either coast. This puts the interior at a distinct disadvantage. The St. Lawrence will restore to the



Less Cost per Ton Mile

Wisconsin stands ready to demonstrate motor economy which begins with gas and oil thrift and carries through to savings in repair shop hours, in extra mileage between overhauls, in lousy fight against replacement.

In Wisconsin design, sound principles are soundly applied, whatever truck or bus is to be powered. Sixes or Fours, 20 horse or 120, each Wisconsin motor can be depended upon to develop more power per cubic inch than any comparable unit. This higher standard extends to every vital point.

The net result is bound to be *less cost per ton mile*. And that's what sells trucks and busses.

Facts and figures are yours for the asking

WISCONSIN MOTOR MFG. CO.
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Wisconsin Motors are manufactured in a full line of Sixes and Fours with a power range of 20 to 150 H. P., for trucks, busses, tractors and construction machinery.



When writing to Wisconsin Motor Mfg. Co. please mention Nation's Business



Make it every week with Oakite cleaning!

NOT just one week, but every one of the 52 is fire-prevention week in industrial plants where cleaning is done the Oakite way. Oakite materials effect a definite, year-round reduction in fire risk in these two ways:

1. Eliminate the hazardous practice of cleaning with gasoline or other combustibles. Oakite materials are safe—non-inflammable and non-explosive.
2. Improve general plant conditions by keeping machinery, floors and other surfaces free from oil and grease.

Then, too, Oakite efficiency has so appealed to executives that today more than 18,000 concerns in over 300 industries clean the Oakite way, obtaining not only added security against fire, but higher quality, greater production and economy. Write us for full information. No obligation.

Oakite is manufactured only by
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24A Thames St., New York, N. Y.
(Formerly OAKLEY CHEMICAL CO.)

Oakite service men, cleaning
specialists, are located at—

Albany, N. Y., Allentown, Pa., Altoona, Pa., *Atlanta, Ga., Baltimore, *Birmingham, Ala., *Boston, Bridgeport, *Brooklyn, Buffalo, *Camden, N. J., Charlotte, N. C., Chattanooga, Tenn., *Chicago, *Cincinnati, *Cleveland, *Columbus, O., *Dallas, *Davenport, *Dayton, O., Decatur, Ill., *Denver, *Des Moines, *Detroit, Erie, Pa., Flint, Mich., Fresno, Calif., *Grand Rapids, Mich., Harrisburg, Pa., Hartford, Houston, Tex., *Indianapolis, Jacksonville, Fla., *Kansas City, *Los Angeles, Louisville, Ky., *Memphis, Tenn., *Milwaukee, *Minneapolis, *Moline, Ill., *Montreal, Newark, N. J., Newburgh, N. Y., New Haven, *New York, *Oakland, Cal., *Omaha, Nebr., *Philadelphia, *Pittsburgh, Portland, Me., *Portland, Ore., Providence, Reading, Pa., *Rochester, N. Y., Rockford, Ill., *Rock Island, *San Francisco, *Seattle, *St. Louis, South Bend, Ind., Syracuse, N. Y., *Toledo, *Toronto, Trenton, *Tulsa, Okla., Utica, N. Y., *Vancouver, B. C., *Wilmington, Pa., Worcester, Mass.

*Stocks of Oakite Materials are carried in these cities

OAKITE

Industrial Cleaning Materials and Methods

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interior its proper position on the trade-map of the world. By giving to the center of the continent a sea base it will enable both the agriculture and the industry of that region a chance to grow normally."

All this, and more. And the whole argument based upon the premise that the St. Lawrence section of the road from the Midwest to the overseas world is in bad repair and needs fixing, and that when this is done the Great Lakes-St. Lawrence route will take its place as the main trunk highway from and to the continental interior.

This is the position of the twenty-two states associated under the name of the "Great Lakes-St. Lawrence Tidewater Association," with executive offices in Washington, and that speaks for its member states on that one subject.

With much of all this the advocates of other ship routes from the Great Lakes to the Atlantic—the Oswego-Hudson and the All-American—Congressman S. Wallace Dempsey of New York, Senator Copeland, Governor Smith of New York State, agree. Where they part company with the western advocates of a ship channel from lakes to tidewater is over the route that should be chosen. They point out that New York pioneered the road into the central west in early days via the old Erie Canal, and they say, in substance:

"We built and rebuilt the Erie, and later, a generation ago, we built the New York State Barge Canal—all for the purpose of transiting freight from lakes to ocean.

Canal Needed—But Where?

"YOU NEED a ship channel. Very good! Here is our right-of-way. It goes from American port to American port. It gets away from any entangling alliances with another country. It is cheaper, better, more direct. Why not take it off our hands and put your ship canal through from Oswego to the Hudson? Or, if you want it to be 'All-American,' from Lake Erie via the Niagara Isthmus, and then from Oswego to the Hudson? Why build up the foreign port of Montreal at the expense of the home port of New York?"

Here the third group steps up and says: "Your pardon, gentlemen, but you are both wrong! You don't need any St. Lawrence seaway, neither do you need a ship canal across the State of New York. The St. Lawrence canals, the State Barge Canal and the railways can handle all the business of the present and the future. Up to a year or two ago you advocates of the New York route were with us. Why the shift in position? What we all need is better Atlantic terminals for the roads, and more rail tonnage—not less!"

Let it be understood that these arguments cited do not exhaust the artillery of any one of the three groups. They are merely given as typical of what each group is thinking and saying.

To the argument that the Middle-West is going out of the export business and will have no need for the shipway, the Mid-Westerner points out that the possibilities of export trade are largely determined by whether or not farm and manufactured goods can be sold abroad at a profit—not upon whether we can produce beyond our own present or prospective

needs—and there is Canada, with its agricultural possibilities unfolding. The Tidewater Association presents a grand total of over 30,000,000 tons of traffic available to the St. Lawrence route—4,826,000 tons imports, 15,700,000 tons exports, and 9,635,000 tons intercoastal.

Bananas, coffee, sugar, vegetable oils, rubber, woodpulp and minerals figure among the leading imports; grain, flour, meats, animal oils, iron and steel, automobiles, starch are chief among the exports; automobiles, flour, lumber, sulphur, iron ore, lead in the Association's computed intercoastal tonnage.

Julius Klein, of the United States Department of Commerce, studying the whole question of overseas and intercoastal movement from and to the interior, estimates the available annual traffic via the St. Lawrence at from 19,000,000 to 24,000,000 long tons. Of this, he estimates, from twelve to seventeen millions is foreign, both export and import, and seven million tons coastwise. He figures the return load on the foreign trade at approximately one-third that of the outbound cargo. He points out that approximately 71 per cent of this commerce is with Europe; 7.4 per cent with South America; 3.3 per cent with the Orient; and some 18 per cent scattering.

Via the New York-Hudson route he finds an available tonnage of from 15,000,000 to 20,000,000. Of this total 7,000,000 is intercoastal and the balance foreign commerce.

The Department of Commerce computes the savings per bushel on grain moved overseas as compared with present lowest combinations of rates at from 6.4 cents to 9.6 cents per bushel via the St. Lawrence, and at from 4.7 cents to 8.6 cents per bushel via the New York-Hudson route. These figures will serve as an index for other commodities.

The same report compares the tonnage costs of movement as follows:

Via the St. Lawrence.....	\$0.53 to \$0.42
Via the New York-Hudson	
(Oswego route).....	1.90 to 1.44
Via the All-American.....	2.39 to 1.78

It should be explained that the higher cost of the All-American is due to the fact that this plan involves the building of a ship canal from Lake Erie to Lake Ontario.

St. Lawrence Now Favored

IT WILL be noted that these figures, compiled by the Department of Commerce for the information of the United States-St. Lawrence Commission advisory to the President on the question of the advisability of improving the St. Lawrence for purposes of navigation, show a balance of tonnage and a saving on each ton moving that is distinctly favorable to the St. Lawrence as compared with its competitors.

The State Department has before it the findings of two recent studies by United States Army Engineers. These reports enable it to compare the engineering features of the route across New York with that of the St. Lawrence. The St. Lawrence brings the Middle West 600 miles closer to Europe than the route via New York; offers 21 miles of slow canal navigation as against 128; has stops for 9 locks and 8

—[LITTLE DRAMAS IN THE LIFE OF A GREAT NEWSPAPER SYSTEM]—



Painted for Scripps-Howard Newspapers by Frank B. Hoffman

The leaders got together and a national crisis disappeared

An ominous coal strike appeared on the horizon . . . a threatening cloud to the national prosperity.

A SCRIPPS-HOWARD Newspaper circulated a petition, asking the President to appoint an impartial arbitrator and get the belligerents together.

A million signatures were secured. The President acted. A peacemaker was named. The leaders got together. And the black cloud rolled away.

There would be few wars if the leaders got together and smoked things out over their pipes, while their tempers were still cool . . . But the trick is to find a go-

between, trusted by both parties, to arrange the harmony meeting.

That has often been the privilege and achievement of SCRIPPS-HOWARD Newspapers. In a controversy between Capital and Labor, both sides know that SCRIPPS-HOWARD may be relied upon for a fair and strictly neutral attitude, until the right or the wrong of the issue has been justly determined.

But these newspapers remain impartial until they are sure which side has the righteous cause.

And that is the side they then champion . . . without giving or asking quarter.

NEW YORK . *Telegram* SAN FRANCISCO . *News* DENVER *Rocky Mtn. News*
CLEVELAND . . . *Press* WASHINGTON . *News* DENVER . *Evening News*
BALTIMORE . . . *Post* CINCINNATI . . . *Post* TOLEDO . . . *News-Rec*
PITTSBURGH . . *Press* INDIANAPOLIS . *Times* COLUMBUS . . *Citizen*
COVINGTON . . . *Kentucky Post—Kentucky Edition of Cincinnati Post*



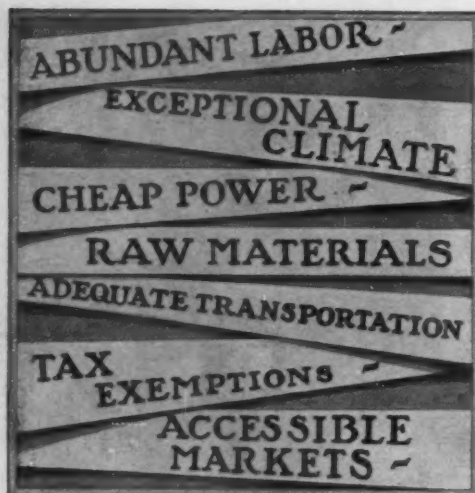
AKRON . . . *Times-Press* YOUNGSTOWN *Telegram* KNOXVILLE *News-Sentinel*
BIRMINGHAM . . *Post* FORT WORTH . . . *Press* EL PASO *Post*
MEMPHIS *Press-Scimitar* OKLAHOMA CITY *News* SAN DIEGO *Sun*
HOUSTON *Press* EVANSVILLE *Press* TERRE HAUTE . . *Post*
ALBUQUERQUE . . . *New Mexico State Tribune*

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All These and More —in AUGUSTA

HERE in the growing Southeast is a community of 60,000 friendly folks, anxious to have your plant in their midst . . . if this is the place for your business.

It is a fact that many manufacturing plants can operate and distribute from Augusta, Georgia at minimum cost—thus gaining a definite economic margin over competitors who manufacture elsewhere.

Your plant . . . is Augusta the place for it? At your request we will undertake a comprehensive, personal survey, designed for your business and your business alone. The actual facts as they exist today.

"More"—in Augusta

The "more" will be dwelt upon fully in the survey we prepare. It may have to do with Augusta's plentiful supply of contented, 100% American labor. It may deal with advantages to you in proximity of products of mine—or farm—or forest. It may deal with any of scores of truly exceptional advantages that are causing Eastern and Western manufacturers to focus attention on this section as never before.

Augusta—a friendly community and a wonderful place to live and to do business—will gladly obtain the facts for any manufacturer considering a possible location in the South.

Whether you are the largest or the smallest manufacturer in your particular industry, we believe you will be interested in the new book, "Your Plant—in Augusta." Write for a copy.

CHAMBER of COMMERCE

Augusta
GEORGIA

When writing please mention Nation's Business

bridges as against 20 locks and 54 bridges, and will cost, exclusive of power, \$148,000,000, to be shared between Canada and the United States, as compared to \$506,000,000 for the Oswego-Hudson route, with no power available, or to \$631,000,000 for the All-American, the cost of either of which must be borne exclusively by the United States.

Electricity Can Cut Cost

IN addition, it is pointed out by the engineers that the St. Lawrence will develop a potential 5,000,000 hydro-electric horsepower, of which approximately 2,326,000 horsepower according to the plans chosen belongs in equal parts to the United States and Canada, and that this present waste-flow of power, if progressively developed in accordance with the power demand, will carry its own construction and maintenance costs, and will reduce the cost of navigation development materially below the \$173,000,000 which they estimate a St. Lawrence ship channel without power would cost.

Such discussed matters as comparative lengths of season, comparative danger from fogs and icebergs, high insurance rates and the like, the engineers in their report dismissed from the picture, although skilled steamship men regard them as powerful arguments against the St. Lawrence route.

So the battle of opinion rages.

The Great Lakes-St. Lawrence belonged originally to France. Then they became British. Then, in 1783, they became the divided property of Great Britain and the United States. During all these years the lakes and the river were a highway for the commerce of that day. The French above Montreal, and, on a later day, the British at the "Soo" began the canals that have since aided navigation. In the same decade that the Erie Canal was built the rapids between Montreal and Ontario were by-passed by similar channels. Then the Welland united Erie and Ontario, and modern ship locks connected Superior with the other Great Lakes.

During these years Americans used the St. Lawrence canals on the same terms as Canadians. Diplomatic disputes extending from 1822 on through the years down to 1871 finally led to the agreement reached in the Treaty of Washington, that:

The navigation of the River St. Lawrence, ascending and descending, from the forty-fifth parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain or of the Dominion of Canada not inconsistent with such privilege of free navigation.

This was a concession of a perpetual highway right of usage through Canadian territory in return for like right of highway usage by way of American rivers through Alaska into the Canadian Northwest. Both nations agreed, in this treaty, to attempt to secure remission of all tolls. Later the state-owned locks at the "Soo" and the provincially-owned Welland and St. Lawrence canals passed into the hands of their respective general governments, and

in the eighties the route from the head of the Great Lakes to the Atlantic became free of all tolls. About the same time New York State remitted the tolls on her canal.

On this progressive improvement the United States has expanded, in the channels connecting the upper Great Lakes, \$45,000,000. This has built the American locks at the "Soo" and has deepened the St. Marys, St. Clair and Detroit rivers to 21 feet. Canada has expended in her lock at the "Soo" \$5,500,000. Canada has built the New Welland, now in use, at a cost of \$30,000,000, and is now pushing forward to completion the Welland Ship Canal, to be completed in 1930, at a cost of \$115,000,000.

At a cost of more than \$30,000,000 she has made Montreal the head of ocean navigation. Her 14-foot St. Lawrence canals connecting Montreal with Lake Ontario have cost her \$53,000,000 and now carry over 6,000,000 tons annually of river and ocean commerce.

The net result of all this is a deep water highway over the Great Lakes and from Montreal seaward, but restricted between Montreal and Lake Ontario—a highway that is used in common by both nations under terms of mutual concession.

In 1909 the United States and Great Britain drew up the Waterways Treaty. This provided, among other things, for an International Joint Commission to have final jurisdiction over certain recurrent questions relating to boundary waters, and to have recommendatory powers on all questions submitted to it by the two nations.

The Commission's Report

THE DEMAND of the Middle West for a ship canal between the Lakes and the Atlantic that had pushed Congress into action and had brought out the already mentioned Deep Waterways report of 1900, still persisted. In 1919 the two governments submitted the whole matter to the International Joint Commission for its consideration and advice. It held hearings in sixteen states and five provinces of the Dominion, and because of the testimony offered, and because of the opinion of its advisory joint board of United States and Canadian engineers, it unanimously recommended the construction of the St. Lawrence ship channel.

The United States asked Canada in 1921 to join with her in a ship channel treaty. Canada replied that she preferred to make further study of the matter. The immediate result was the appointment of a Joint Board of Engineers, three from either nation, to recheck the previous engineering studies and to submit detailed and alternative plans for dams, ship channel and hydro-development, and each nation appointed its own advisory economic commission, that of the United States, headed by Herbert Hoover, being known as the St. Lawrence Commission of the United States. A favorable report of the engineers was filed toward the end of 1926. The report of the St. Lawrence Commission of the United States followed some days later.

Such is the remote and immediate background of events leading up to the present negotiations.

"Do Your Records Talk or Just Mumble?"



"IT'S your bookkeeping, Jones, that keeps you on the 'risky' list." The Credit Manager, calling on a "slow" customer, was speaking.

"You have a good stock, nice fixtures, plenty of trade, but you are not showing a *profit*. You'll have to put in a good accounting system that will tell us what has been wrong so you can correct it. Otherwise . . .

"Records are no good, Jones, unless they *talk plain* and tell you where you stand every day. Your records just mumble!"

~ ~ ~

Irving-Pitt records TALK. They tell the dealer in plain figures—every day in the year—whether he is making or losing money—and all other information necessary to a smooth running, profitable business.

That's because they are *specialized*. There is a specific

I-P System for every business, every profession—simple, concise, easy to use—made to fit the user's needs. Their simplicity makes them the most desirable records available to the busy merchant.

Realizing that a customer's financial statement is no more accurate than the records behind it, Credit Managers everywhere are recommending I-P records. The results, they say, are highly satisfactory. "Slow" customers quicken their pace! Doubtful risks remove the doubt. Credit relations, on the whole, improve.

Our practical accounting men have prepared a new catalog manual, "Worth Keeping—Records That Talk." Ask your I-P stationer or write us for this valuable addition to your library.

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Hauserman Movable Steel Partitions, in their rich color tones, have the character of distinctive office furniture and are in keeping with the finest surroundings. They come in finishes to harmonize with any interior.

And, in addition, these partitions, because of their movability without waste or confusion, their long life and their protection against fire, offer attractive dividends on the investment. Add to this their reasonable cost and it's evident why Hauserman Movable Steel Partitions have been so universally accepted.

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Rails Spread over Africa

By EDSON RICH

SOUTH AFRICA is another one of those last frontiers. What with Great Britain's genius for colonization, what with wars and gold and diamond rushes, South Africa is no longer that thrilling land into which only the intrepid few go.

Africa has caught up with the twentieth century standard of adventure by building railroads into its fearsome territories, withal keeping its picturesque terrors.

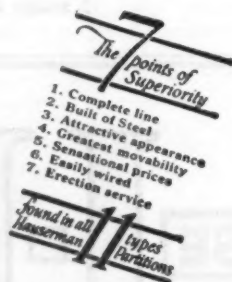
Four centuries after the discovery of South Africa, the entire railway system there consisted of 1,800 miles of track, confined largely to the southern littoral where resided the greatest number of inhabitants. Now, forty years later, there are 12,162 miles of track, confined to no particular section, but spread over a country that in area approximates 800,000 square miles, of which 40 per cent is 4,000 feet or more above sea level. Except on the two main roads—Cape Town to Johannesburg and Durban to Johannesburg—the distance between points as the crow flies is sometimes nearly doubled by rail, by reason of the rugged character of the country.

Riches Brought Railroads

THE PROGRESS in the respective periods of 400 and 40 years is hard to reconcile, until it is recalled that the year 1886 saw the opening up in South Africa of the world's greatest gold field. President Kruger gave to the world the right of access to the gold reef of the Witwatersrand, and since then railway development has made rapid headway in this country that was thought to present to the railway engineer so hopeless an aspect as to place it beyond consideration. Rivers that were never the same width, nor the same depth, or even traversed the same course from month to month, mountains that seemed almost impassable, and, above all, a rise of 6,000 feet from the coast to the Witwatersrand, combined to present difficulties in the laying of the steel roads from the ports to the new Eldorado. But the lines had to be built. Moreover, the gold-mining community had the money to pay for better transport than that afforded by the ox-wagon, and what one can pay for is generally obtainable.

The outcome was a feverish race from five different points of the littoral to link up by rail with the rapidly rising metropolis of Johannesburg. The Cape Province was the first to effect through communication with the new goldfields by reason of the stimulus afforded by the discovery meanwhile of the diamond fields of Kimberley.

But the hurry of construction laid certain sections of the line in territory of such nature as to seem curious indeed in these days of phenomenal engineering. Lengthy detours were made to get around mountains instead of tunneling through, long traverses followed the rugged contours. Yet the achievement ranks notably in the history of empire-building, for practically the



Street Cars cost less than Streets

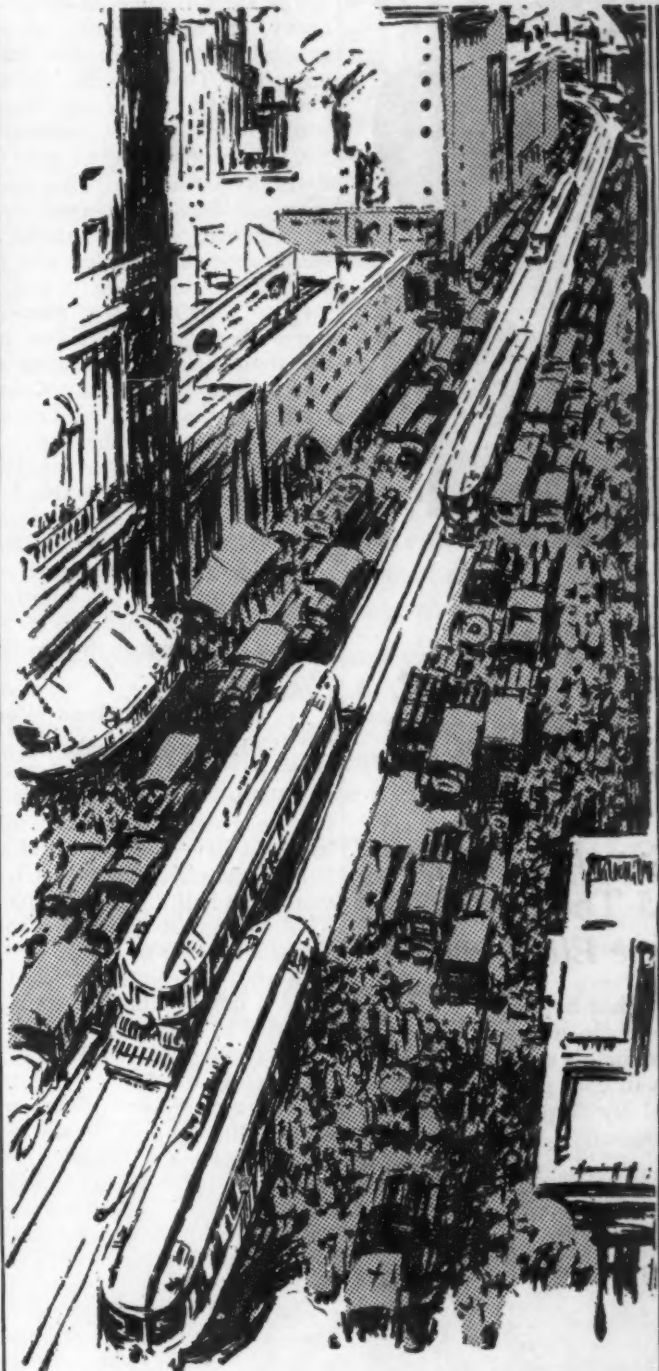
THE future of the street car is assured by the fact that street cars cost less than streets. Every large American city today has outgrown its streets, most of which were built to meet traffic conditions of many years ago. Now, with populations increasing, with business concentrated in a limited "down-town" area, cities must either provide new streets or increase the transportation facilities that enable the streets to carry the people.

The most efficient city transportation agent is the street car. Occupying little more than 2% of the street space, street cars carry, in many cities, 75% of the street users. Because from 60 to 100 people can ride on one street car, the street car uses fewer square feet per person carried than any other method of transportation. Urban transportation is mass transportation — and mass transportation demands movement in large units.

WESTINGHOUSE ELECTRIC & MFG. CO.

Offices in All Principal Cities
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Localized Service — Men — Parts — Shops



Doubtless cities will add new streets — but they will also add many new street cars. A large percentage of these will be driven by Westinghouse motors. The first single-reduction railway motor — the progenitor of all present-day railway motors — was developed by Westinghouse in 1890.

Westinghouse



ECONOMIC TRENDS IN THE ELECTRICAL INDUSTRY

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in 75 Thousand
Breakage Eliminated

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Previously the rejections on castings had averaged 25% to 30%.

Another case for pressed steel—further testimony to the uniform high quality of all "American" Pressed Metal parts.

Whatever your stamping problems—let The American Pulley Co. help solve them. Avail yourself of their 30 years of experience in the manufacture of difficult and varied metal stampings. The American Pulley Co.'s plant is equipped with over 100 power and hydraulic presses for cold pressing steel, brass, bronze and monel metal to accurate measurements from light or heavy gauge sheets. It also offers unusual facilities for drawing, flanging, beading and shaping.

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Manufacturers of Steel Split Transmission Pulleys, Pressed Steel Shaft Hangers, Pressed Steel Hand Trucks and Pressed Steel Shapes

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AMERICAN METAL STAMPINGS

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only constructional advantage enjoyed was the plentiful supply of cheap labor out of the native population.

The early builders constructed few very heavy earthworks and almost entirely avoided tunnels. Now the tendency is the opposite. The Delville Tunnel between Durban and Pietermaritzburg is 1,001 yards long. It was necessary to build 2,974 feet of bridge to span the Orange River at Upington. This has on several occasions been submerged by floods for short periods without damage. The rainy season sets considerable water flowing, and, with the original lines, it was often necessary to ford shallow streams and rivers. When the water rose a few inches above the track, it was a thrilling sight to see the train creep carefully down the bank, crash into the water, sending up a column of spray that hid the engine, and climb ponderously out on the other bank.

The native chiefs marvelled inordinately at that first locomotive. Steam was beyond their comprehension; they believed the boiler to be packed with animals, and fled in terror when the whistle blew. One chief assailed the engineers for cruelty after hearing the agonized shriek of that animal on wheels.

Natives Are Good Workers

THESE natives make excellent labor crews. A French engineer once asked Sir Charles Metcalfe, engineer on the section being visited, how many miles could be laid in a day. "What would you think a fair estimate?" asked Sir Charles. "Not more than half a mile, I should say." The spirit of contest galvanized the crew into laying a quarter of a mile in twenty minutes, and the completed job for that day was $5\frac{3}{4}$ miles. Track layers in America do at best 3 to $4\frac{1}{2}$ miles a day.

The famous Victoria Falls were a task to span beside which the Niagara gorge was child's play. Sheer cliffs offered here, the canyon through which the water rushes but a fissure in the earth's crust. The break had to be bridged in a single span about 500 feet in length with the rails over 420 feet above the water. By comparison, the rails at Niagara are only 226 feet above the water.

The first telephone wires at Victoria were thrown across after an unsuccessful attempt to accomplish it with a kite which was eddied away by the rush of wind caused by the great cataract. For the second attempt a thin string was tied to the stick of a rocket which was then fired. The opposite party secured the stick and end of twine, and it was then possible to haul across a thicker string, followed by one still stouter to which the telephone wire was fastened.

The construction was done by cantilever method from both sides. An overhead cable carried the supplies to the other bank. The workmen were slung across in a little cage—and occasionally curious visitors at \$2.50 a head. A strong, heavy net stretched beneath protected passengers from certain death if they slipped. Two ribs of steel were pushed out from either bank and finally met in the center, and construction was carried on so rapidly in spite of difficulties that eighteen months later trains

were crossing the falls, avoiding the long alternative detour.

The speed maintained on a gauge of only 3 feet 6 inches, along routes where straight, level stretches are few and far between, compares favorably with that of the old established systems both here and in Europe. A notable instance is the Cape Town-to-Johannesburg express which covers the 956-mile journey at an average speed of 34 miles per hour, inclusive of numerous stops, despite gradients necessitating a total climb of 18,636 feet.

Now the farmer, who formerly made an annual pilgrimage to the nearest city in his tented trek-wagon, makes a weekly excursion by train. Mining companies, whose shipments in days gone by were apt to be held up for long periods on the banks of a flooded river, now enjoy regular consignments.

The most recent innovation on the railways is the electrification of a portion of the main line through the difficult mountain section of the province of Natal. This 174-mile stretch is marked by extreme curvatures and severe gradients, and has long presented haulage difficulties. The new service, put into operation this year, has done much to increase speed and haulage capacity, in particular facilitating the movement of heavy coal traffic.

The policy of foresight has emphasis again in the harbors of South Africa. At Durban, from what was practically a land-locked swamp a modern harbor has been constructed. Within its purlieu is a graving dock capable of accommodating the largest vessel afloat. The length of this dock is 1,150 feet, but in case of emergency a further 41 feet can be added by placing the caisson in the outer or emergency stop. The dock also can be divided into two compartments of 440 and 660 feet, respectively, thus accommodating two vessels at the same time.

Industry Growing

INDUSTRIES in general, and iron and steel production in particular, have not yet progressed sufficiently to enable the administration entirely to make its own engines and other steel rolling stock, but to a great extent assemblage and erection are carried out in the various large workshops.

Despite the fact that the Union of South Africa possesses only a million and a half white inhabitants, its railway system carried 75,000,000 passengers in the last financial year, an increase of 168 per cent over the figures of 16 years ago when the four provinces were welded into the Union.

There are zebras, Kaffirs, rhinos, Zulus to be seen in plenty from the car-windows. If one descends at Messina, say, and takes one of the government-controlled motor buses along the Limpopo River to lunch at some farmhouse, he will get the creeps during the meal served in his honor under the grape trellis, for, turning, he is apt to be petrified by the glittering eye of some choicely poisonous snake that still refuses to consider the Transvaal as anything but his own. If one should take a short motor trek into the less humanly populated districts of Bechuanaland and let his night fire die out, he would quickly find out how it feels to be eaten.



The New Wheelhorse of Industry

Old time thrift has pulled industry thru many a dull season, but in today's competitive struggle it is not enough.

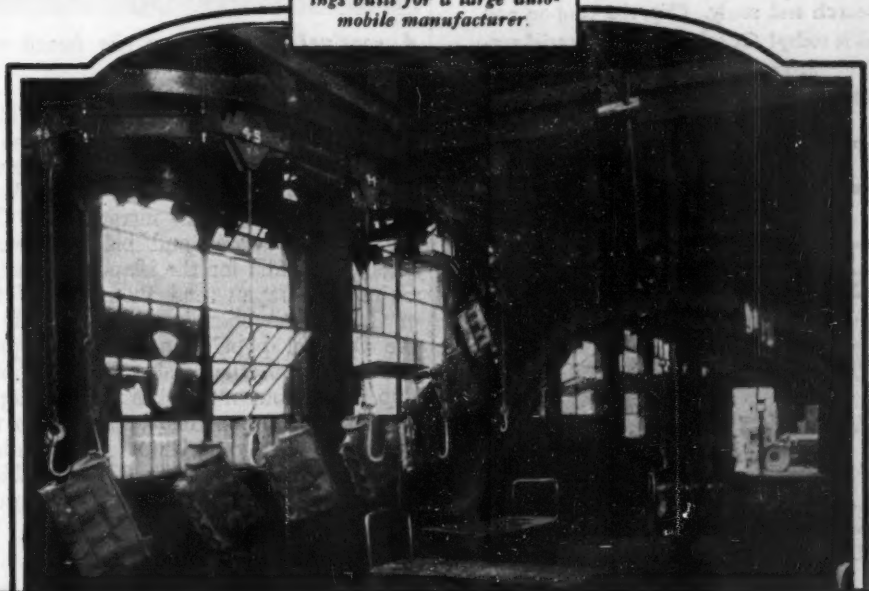
Fast turnover is recognized as the new team-mate of thrift. Coupled in the wheel position, it keeps the manufacturer abreast of his competitors.

Conveyors, on which material is processed as it moves, shorten the gap between raw material and finished product, help to reduce inventories, free working capital and increase the efficiency of labor. These things all contribute to faster turnover.

Since 1885 Bartlett-Snow Engineers have designed and built elevating and conveying machinery to help progressive manufacturers keep abreast of competition. It is likely they can help you to secure the same results.

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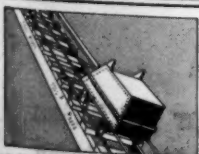
Overhead conveyor for castings built for a large automobile manufacturer.



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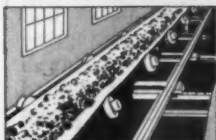
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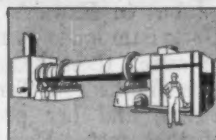
SKIP HOISTS



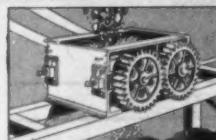
ELEVATORS



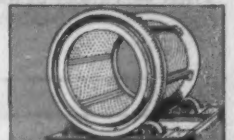
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Investigate the possibilities Erie holds for your business location—your sales cost, your production, your raw materials, your labor, your shipping and receiving. You can get the complete story free—in "5 Great Advantages"—32 pages of sound facts and figures, boiled down results of months of research and study. Clip the coupon and mail it today! Or ask for a confidential survey, applied to your own problems, by our Industrial Board.

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A Mid-Pacific Meeting

By A. E. BIXBY

Matson Navigation Co., San Francisco

DELEGATES who come to Honolulu for the convention of the United States Chamber of Commerce, Western Division, to be held in Hawaii's largest city on February 8 and 9, 1928, will realize, as no printed word can tell them, the fact that Hawaii is the crossroads of the Pacific and an ideal place to study Pacific commerce and the many races and various angles involved in commerce with Japan, China, the Philippines, Australia, India, South America and all other countries bordering on the shores of this tremendous ocean.

Honolulu has a complete Japanese shop-



A sentinel cocoanut on the beach near Honolulu

ping section, a Chinese Chamber of Commerce with Chinese merchants whose establishments have been a part of Hawaii's commercial life for half a century. To the Hawaiian Islands come nitrate from Chile for the plantations and bales of burlap bags from India for the islands' raw sugar. China and Japan send thousands of tons of Oriental merchandise and foodstuffs for the Oriental population, which comprises more than half the total. The Philippines ship their quota of supplies for the Filipino plantation laborers. The business man who wishes to study Oriental merchandising methods can find all the Orient within a few blocks' space in Honolulu's downtown business section.

These Islands Are Valuable

STATISTICS are generally dry reading, but in Hawaii's case they prove that Uncle Sam made no mistake when he agreed to annex these beautiful islands. Hawaii is a full-fledged Territory of the United States, and her people are very proud of that fact. Hawaii's people have tremendous purchasing power. Every week in the year shiploads of new motor cars

Taking the guess Out of GAS

SCIENTIFIC research is one important method adopted by the gas industry to bring about universal use of gas for industrial heating purposes.

Scientific study is being pursued at such institutions as the University of Illinois, University of Michigan, Johns Hopkins, Massachusetts Institute of Technology, American Institute of Baking, American Gas Association testing laboratory, and in many other institutions, besides the laboratories maintained by individual gas companies.

Science takes nothing for granted: The gas industry believes that its product will eventually serve for every heat needed, and the purpose of all this investigation is to bring about the universal use of gas in the most assured manner with the least possible loss of time.

Industrial concerns in all lines of business should keep themselves well informed on the recent adaptation of gas to their own industries.

Write to your gas company
for information, or to

American Gas Association
420 Lexington Avenue, New York City



You Can Do It Better With Gas

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from the cheapest to the most expensive are carried to every port in the islands. Anything can be sold in the islands which can be sold in the mainland United States except fur coats and ice skates, and the same merchandising methods will bring about consumer demand.

During 1926, according to the Department of Commerce, the total value of goods shipped to the Hawaiian Islands from the continental United States rose to \$76,262,624, a figure exceeded only in the fiscal year ended March 31, 1921, when the value reached \$77,739,381.

The value of exports from Hawaii to the mainland in 1926 totaled \$98,260,941, as compared with \$102,780,505 for the preceding year. Hawaii bought from foreign countries during the year merchandise to the value of \$10,254,565, as compared with \$10,887,749 in 1925.

Individual Initiative

CHESTER ROWELL, famous California publicist, pays a tribute to the courage and enterprise of Hawaii's sugar and pineapple magnates, when he says that Hawaii has no natural advantages not possessed by any major group of the thousands of Pacific islands, yet her yearly exportable wealth is twenty times greater than all of the others combined. "Out of soil which was producing nothing," he writes, "with labor which would have produced nothing here and was producing little anywhere, the enterprise of one or two dozen men has made Hawaii twenty times richer than all the other islands combined. If the same thing has not happened on the other Pacific islands, it was because they lacked a dozen such men, with their resources, to do it."

In addition to Hawaii's first and second crops (sugar and pineapples), the islands' third crop, tourist travel, is steadily growing. The charms of the islands as an all-year playground have so increased the tide of tourists that more ships and hotels have been found necessary to accommodate them. In February of this year the new \$3,500,000 Royal Hawaiian Hotel, a coral-pink castle in a cocoanut grove, was opened. In it will be held the convention in February of the Western Division of the National Chamber. The Royal Hawaiian has 400 rooms, all with private bath, and its facilities, including a banquet hall, auditorium, ballroom and theater, make it ideal for such a gathering.

An Hawaiian Welcome

HONOLULU'S Chamber of Commerce sent a large delegation to the mid-year meeting of the Western Division last year at Colorado Springs, December 6 and 7, 1926. Its "Aloha Committee" will meet the delegates off Honolulu harbor when their ships arrive next February in the glow of a glorious Hawaiian sunrise. They will present each delegate with a fragrant flower lei, or garland of welcome, and will make him realize that there is no welcome in the world as beautiful as the Hawaiian one. When a fragrant flower lei is placed about your shoulders, this act reflects the ancient spirit of the islands, in which hospitality was a rite and the word "friend" was sacred. Hawaii is a land of sentiment, of romance, of the poetry of magic nights,

DAHLSTROM

THE new Pennsylvania Power and Light Company Building, Allentown, Pennsylvania.

DAHLSTROM ELEVATOR ENTRANCES

DAHLSTROM INTERIOR DOORS

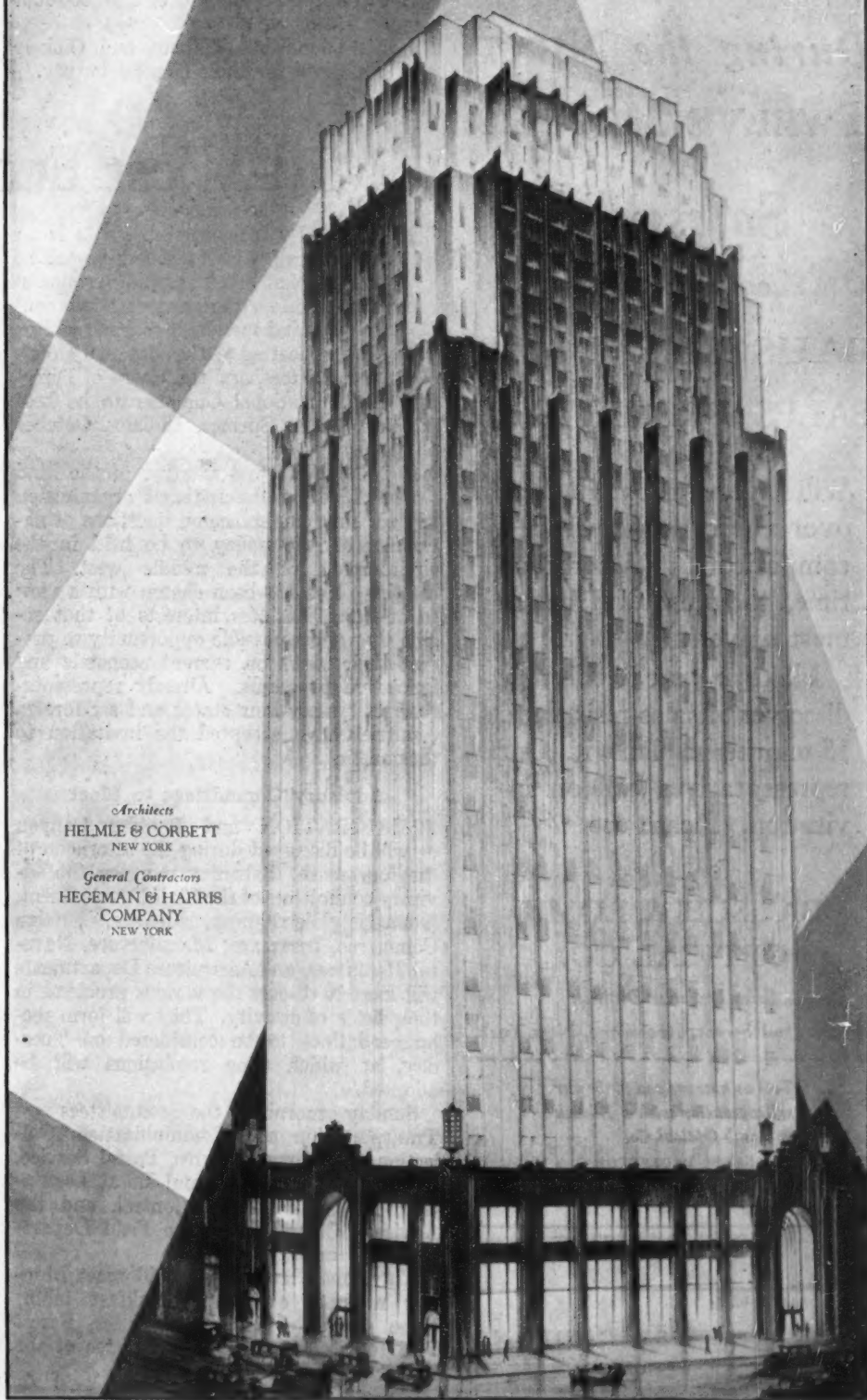
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Many Water Sports

IN addition to Honolulu and the Island of Oahu, famed for Nuuanu Pali and its wonderful view, its 85-mile drive around the island, its world-famous Waikiki Beach with its unequalled surf-riding and outrigger canoeing, the other islands of the Hawaiian group will offer the delegates their splendors. Hawaii, the largest island, contains Kilauea volcano and Hawaii National Park. It is reached by a delightful overnight sea voyage from Honolulu. On Maui Island is Haleakala, the world's largest inactive crater, on a summit of a 10,000-foot mountain.

Kauai Island has Waimea and Olokele canyons, noted for their tropical beauty.

Hawaii is a land of fairy islands surrounded by the peacock-blue water of the Pacific. Honolulu is one place that lives up to its advance notices. Here are beauty and comfort combined; velvet waters to bathe in without weariness; a sea azure, white and green; red, volcanic soil; blue, yellow and orange leaves; the trade wind to cool and the sun to warm; a city where the truck drivers wear flowers in their hats and the chauffeurs carry ukeleles and sing while waiting for business.

Life is gentle and people are kind in Hawaii. It is not a land made for rush and worry.

There is a freshness and greenness about these colorful islands like no other land in the world. When you sail, and the Hawaiian band plays Aloha Oe, there will come into your eyes a mist, and sweet sorrow. You will find it one of life's great moments.

Mid-West Economic Parley

THE PART organized business is to play during the forthcoming year in the solution of outstanding economic problems, such as agriculture, flood control, taxation and merchant marine, will be shaped at a meeting of the National Councilors, Committees, and the Board of Directors of the National Chamber to be held at West Baden Springs, Indiana, October 15 to 18.

It will be the first meeting of the kind to be called by the national organization and the first conference on questions of national economic policy to be held in the environment of the middle west. The meeting place has been chosen with a view to affording business interests of that region the widest possible opportunity to present their views on current economic and legislative programs. Already representatives of twenty-four states and six foreign countries have accepted the invitation to the meeting.

Advisory Committees to Meet

IMMIGRATION and Boulder Canyon will be discussed during the afternoon of the fourteenth. Saturday morning the advisory committees of the Civic Development, Domestic Distribution, Finance, Foreign Commerce, Insurance, Manufacture, Natural Resources, and Agriculture Departments will meet to discuss the various problems in their fields of activity. They will form recommendations to be considered on Tuesday, at which time resolutions will be adopted.

Sunday morning the committees on Transportation and Communication, Collection of Business Figures, Postal Service, Trade Relations, State and Local Legislation, Mississippi Flood Control, and the Advisory Committee of the Field Department will meet.

Three more committees will meet Monday morning over the breakfast table; these committees are Aeronautics, Forest Fire Insurance, and the Committee of the Forestry Conference.

Reports will be submitted to the na-

tional councilors on Monday, October 17, together with the general program of activities of the Chamber authorized by its executive committee. Discussion will then be centered upon the subjects included in the program.

The only formal address will be delivered by Lewis E. Pierson of New York, president of the Chamber of Commerce of the United States.

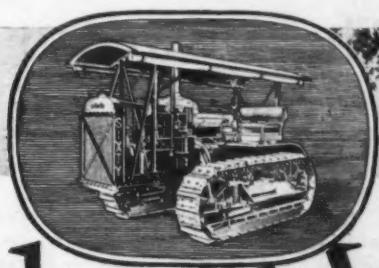
Extent of Accomplishments

VERY real accomplishments are revealed in a report prepared by the Resolutions and Referenda Department of the National Chamber showing the extent to which chamber policies have been put into effect through legislation.

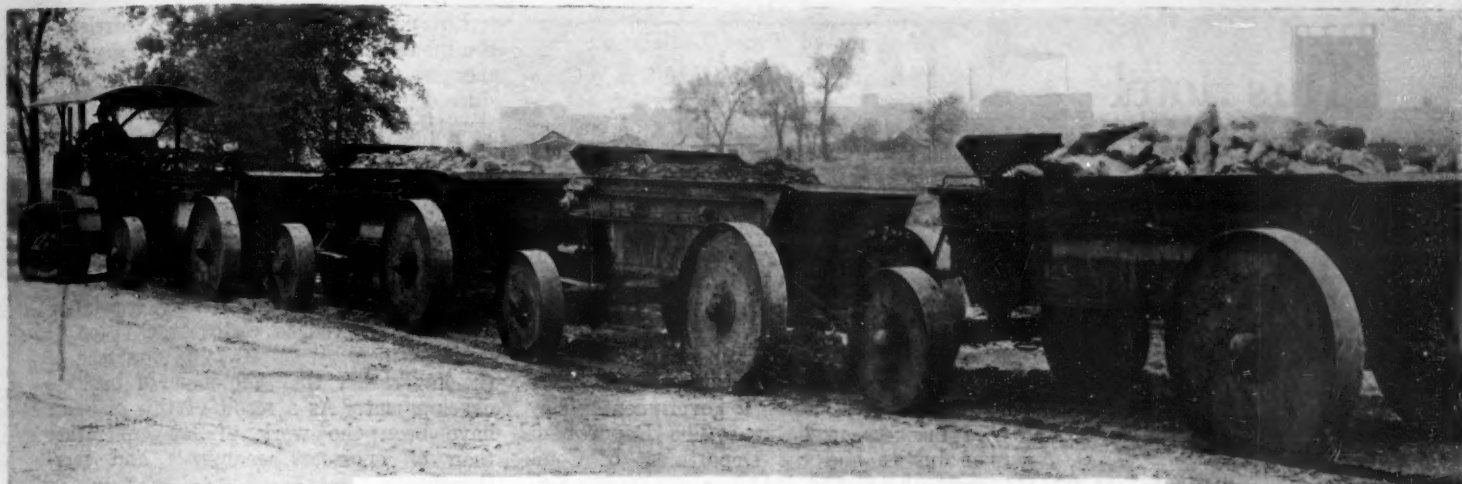
On the credit side the outstanding recommendations now in effect are the National Budget Act, the flexible tariff and the Tariff Commission, development of the Bureau of Foreign and Domestic Commerce, Federal Vocational Education Act, authority for export associations, Federal Water Power Act, Federal highways building program, Merchant Marine Act of 1920, expansion of the statistical services of the Department of Commerce, Foreign Service Act of 1924, authority for discontinuance of visa and passport requirements, establishment of legislative reference and bill drafting bureaus for Congress, Federal Trade Act of 1914, Transportation Act of 1920, much favorable tax legislation, reclassification of Federal Government employees, and the Federal Reserve Act.

Old Policies to Work On

THE policies over five years old not realized are: revision of trust legislation, authority of presidential veto over separate appropriation items, creation of free zones in American ports, completion of international war debt settlements, reorganization of government departments, state laws to promote use of commercial arbitration, return of alien property, adoption of Hague Rules, railway consolidations, and certain tax proposals and merchant marine.



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WM. J. CHITTENDEN Jr., Manager



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The Answer to the New Competition

(Continued from page 17)

The prolonged and expensive action of the Federal Trade Commission against the newspapers of this country which seeks to undermine the most elementary rights and principles of association cooperation and of self-regulation of an industry will need a lot of soothing words. If the Commission should succeed in forcing a decision on the newspapers simply because they are weary of arguing and being harassed, it would be a setback to the freedom of the press and of business which could not be regained in many years.

Antiquated Trust Legislation

IT IS not simply the Federal Trade Commission and its procedure which are involved in these vital problems of business regulation. The spectacle of the oil industry (and the Government's "unofficial observers") attempting to straighten out the Bowlegs tangle has been funnier than Charlie Chaplin trying to straighten out his—or, rather, it would be if it were not a national tragedy. This was not the first time that the public realized that its welfare meant little in comparison with antiquated anti-trust legislation and that there was little resembling a government policy in business regulation. The Department of Justice and the Department of Commerce have recorded their one-time differences in illuminating correspondence. Had it not been for the clear thinking and its courageous expression by Mr. Hoover, the status of the trade association would be even more impossibly muddled than it is.

The actions of the Department of Justice and the Federal Trade Commission in the aluminum case revealed how Uncle Sam not only does not let his right hand know what his left is doing but that he likes to shadow-box with himself and enjoys particularly slapping his own wrists.

It has been the attitude (or attitudes) of the government (or governments) towards the trade association which has been partially responsible for the recent trends towards mergers and consolidations. It is not a coincidence that, after the spasm of "trust-busting" in the good old days, trade associations began to flourish and that after the recent spasm of trade-association baiting, mergers begin to multiply. I am continually being asked these days, "Aren't mergers and consolidations the answer to the new competition?" Yes and no—it depends on the merger. That there is an obvious trend, largely stimulated by the new competition, is indicated by the fact that in less than six months there have been actually consummate and substantial mergers in electric utilities, biscuits, brass, steam shovels, candy, investment houses, banks, pile fabrics, natural gas, mill machinery, pharmaceutical chemicals, storage warehouses, motion pictures, stationery, newspapers, hosiery, mail-order houses, ice, magazines, steel, department stores, dairy products, wire, cosmetics, tea, communication systems, chocolate, whiskey, men's furnishings, heating equipment, mayonnaise, shoes, business equipment, celluloid, frankfurters.

There is no question that consolidations in industry are one answer to the new competition. It is an answer in so far as a bigger unit or collection of bigger units can increase the efficiency of an industry and help gather its strength together to meet inter-commodity and inter-industrial competition. Also, horizontal consolidations can go far in improving trade relations if the big factors in the industry desire such improvement. Vertical consolidations can go far in improving the relations between the various branches of an industry, if wisely used.

But not all mergers, like all marriages, are made in heaven. It is easy to say that mergers will cut production costs and reduce distributing expenses and therefore be profitable for the business and beneficial to the public. But this is not inherent in any merger; certainly in the good old "trust" days many consolidations looked better in the articles of incorporation than in the annual reports.

One reason for this has been the drug-like effect of the anti-trust legislation which has served to distort the vision of business men by emphasizing the fear of the law rather than the logic of business development. As a result of this, mergers have been the work of lawyers rather than of engineers, managers and merchandisers.

Again, what of the attitude of the courts and the Federal Trade Commission on these mergers? I do not know, and neither do they. One day an apparently innocent merger is killed with a consent decree before it draws a breath; the next a greater merger is allowed to flourish. What is a good merger and what is not?

Only recently the Supreme Court finally decided, in the harvester case, that "The law does not make the mere size of a corporation, however impressive, or the existence of unexercised power on its part, an offense, when unaccompanied by unlawful conduct in the exercise of its power."

Fickle Public Opinion

BUT what does the public think of consolidations and big business? Public opinion is very mixed and would reveal strange inconsistencies if analyzed; to that extent, at least, does our Government represent our citizenry.

But what will become of little business? Will all business men and their sons forever on have to be employees of great corporations? Will all opportunity and initiative hereafter go unrewarded by personal success?

I do not fear such developments. This country's great prosperity has been built by qualities and opportunities which will endure. One reason is that there will always be little businesses for those who want them and can run them efficiently. Another reason is this: It is true that, in general, the big businesses of the past were made by men and that in the newer cases it was the big businesses which made the men—but they are men!

And the bigger the business, the bigger the opportunities.

Will not these mergers restrain and lessen competition? And, if they continue, will not the Government have to do something? Why is Uncle Sam afraid that there won't be enough competition?

The Supreme Court, a few months ago, in the potteries case, declared: "Whatever difference of opinion there may be among economists as to the social and economic desirability of an unrestrained competitive system, it cannot be doubted that the Sherman law and the judicial decisions interpreting it are based upon the assumption that the public interest is best protected from the evils of monopoly and price control by the maintenance of competition."

There seems to be the secret, and it always seems to go back to the Sherman law and what Congress was thinking about when it was passed. What did the Congress of 1890 know about the business conditions of today? The Sherman act, the Clayton act, and the Federal Trade Commission act were passed because the common law and other existing laws were inadequate. These are now themselves inadequate.

The Federal Trade Commission, the Interstate Commerce Commission, and the courts will do something about the merger trend, but what will they do? Will we allow conditions to continue throughout a series of inevitable and expensive clashes between business and government? The answer does not lie in the repeal of this legislation. The public cannot be left unprotected because these laws are a burden on business. But they are also a burden on the public.

It is too late now simply to ask Congress to "do something." The only way to avoid economic tragedy is to start studying the intricate questions of regulation and the new competition now and having some sort of facts ready when the time comes for revision. This is not a task for individuals or special interests. The facts and their presentation must come from sources which cannot be considered biased. Such a study cannot be made by the Federal Trade Commission, which is already tangled up in procedure which does not proceed and by powers which are powerless. Nor may we expect from the ordinary congressional investigating committee the necessary objectivity. Only experts can find the facts—economists, business men, lawyers, industrial technicians and legislators. These should represent business, "the public," labor, but must be experts.

It is time to stop a succession of "administration policies on big business," whether they wield the "big stick," the whitewash brush, the fly-swatter or the powder puff. It is time to wield common sense and to direct attention not merely to big business but to the real public interest, as well as to the rights of man (including the business man).

So far we have been winning in the new competition between nations, but how long will it last? How can American business win with handcuffs? And how can we approach the vital need of the world for world-organized industry when we have not organized ourselves?



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What the World of Finance Talks Of

PERHAPS the most significant trend in American industry is

By MERRYLE STANLEY RUKEYSER

the increasing ascendancy of big business.

Current conditions challenge managerial ingenuity, and the large and dominant corporations have shown themselves best able to flourish under the stress of heightened competition. The leaders have been increasing their share of the total volume of business done by industries as a whole. Economic law has been inexorably at work in favoring efficient units, which through the economies of mass production and sales, have been able to entice consumers with the dual appeal of expanding values and shrinking prices.

In the process of natural selection, the weaker and less effective marginal producers and distributors have suffered. In some instances, their profits have vanished. In still others, their very solvency has disappeared.

The new prosperity has been experienced mainly by the topnotchers, such as United States Steel Corporation, the General Electric Company, the General Motors Corporation, and the great chain-store and mail-order enterprises. The duality in the stock market, in which since the first of the year the shares of dominant corporations have soared to new summits while those of smaller and weaker enterprises have receded, parallels developments in the world of business.

To thoughtful observers, the question naturally arises as to how far the process will go. Purely economic considerations foreshadow a long continued growth of the strong at the expense of the weak. The new lineup of business will be accomplished through further mergers and consolidations, accompanied by heavy mortalities of weaker units which are left on the outside. Even within Wall Street, soberer minds are beginning to speculate about the social consequences of the new "trustification" of industry.

One well-known banker believes that unless the great financiers and industrialists, who are in the drivers' seats show infinite restraint and tact, they may build up new political antagonism, which would be reflected in threats of destructive legislation and of economic follies. He reminds his associates that America is a democracy, and that all movements must ultimately justify themselves by demonstrating their social utility.

He feels that it would be the part of wisdom for big business to perpetuate the policy of the late Judge Elbert H. Gary of maintaining a price schedule which will let competitors survive. Judge Gary never used the potential power of the United States Steel Corporation ruthlessly to wipe out competition, despite the well-known fact that his enterprise was able to produce more economically than other factors in the industry.

It is human to become intoxicated with power, and a few of the reflective Wall Street folk sense the dangerous temptation which may confront big business to over-

play its hand. An officer of one of the great money reservoirs in the financial district, in discussing this subject, said: "The great need is for big business to temper efficiency with mercy."

With such delicate problems in business statesmanship looming up, the country can ill spare such farseeing captains of trade as Judge Gary and the late Gen. Guy E. Tripp, chairman of the Westinghouse Electric & Manufacturing Company. Of the survivors, it is difficult to single out an individual, who typifies leadership in the sense that Judge Gary did. I have discussed this question with numerous discriminating financiers, and the consensus seems to be that Owen D. Young, chairman of the General Electric Company and of the Radio Corporation of America, is now the preeminent industrial statesman of the country, although it is recognized that leadership is becoming increasingly diffused. Mr. Young, it will be recalled, was one of the principal authors of the Dawes Plan. A lawyer by profession, he has a vivid consciousness of the social aspects of business, and may be counted upon to view business problems from the broad standpoint of public usefulness.

ALTHOUGH there would be scant tolerance today of the primitive tactics by which the American Tobacco Trust, the Standard Oil group, and the National Cash Register Company—to cite a few conspicuous examples—were originally built up, the public is not likely to become unfriendly toward a fraternity of big business which prospers by raising the general standard of living through lowering costs and eliminating waste. Irrespective of what refinements a wise business leadership may practice, the trend is unmistakably in the direction of fewer factors in production and distribution, with increasing power passing to the large and efficient organizations. The price of a lesser efficiency—of incapacity to keep apace of the new industrial arts—is extinction. This is clearly the era of the hired man.

Inasmuch as the prosperity of the great corporations depends on widening the market for their products, the public will share inevitably in the benefits of the new capitalism. The policy of distributing the securities of big business widely among little fellows will help to allay resentment resulting from the crowding out of uneconomic producers and distributors. But at best the transition will be painful, and arrogance on the part of executives of big business will serve only to stir up political antagonism. The need of the times is for genuine business statesmanship, which will stress a publicity policy marked by "open covenants openly arrived at."

THE ONCE imperious railroads, after a period of public chastisement and harassment, have become meek and humble. Accordingly, railroad baiting has become

frail political capital. Since the passage of the constructive Transportation Act of

1920, the only serious opposition that has developed in governmental agencies against the railroads has been in connection with the bold merger plans of O. P. and M. J. Van Sweringen and of L. F. Loree. Although the new basic railroad law seven years ago marked a complete reversal and authorized railroad consolidations, the Act was vague and inconclusive. Accordingly, the Interstate Commerce Commission has proceeded cautiously, hesitating to place its stamp of approval on venturesome new conceptions, perhaps because of fear that it might be sanctioning the setting up of new transportation dynasties.

With the railroads in better political standing, the mantle of opprobrium may pass to the public utilities. Certain powerful factors in Congress have looked askance at the building up of great super-power companies. At the next session of Congress in December, there is likely to be important discussion of public utility rates and an inquiry into the development of holding companies. Since the war, the power and light industry has grown at a prodigious rate. Its development has meant a vast improvement in the manufacturing effectiveness of the country and in the living standards of the people. That the growth has been accompanied by some abuses is wholly probable, but in the process of fault finding the public should not overlook the basic fact that it has been enormously benefited by the electrification of the nation.

THE REMARKABLE aspect of the current business situation is its capacity for correcting its weak spots.

In the past, a serious collapse in one commodity or trade usually stirred fears which gradually pervaded all business.

The unique phase of the current cycle is its ability to localize troubles.

The huge credit base is perhaps the most important foundation of the feeling of confidence, even in the face of local disorders. In former times, periods of prosperity would end when credit pinches developed. A smash-up in one industry would result in a general calling of loans, with the resultant forced liquidation.

Another fundamental factor of strength in the present situation is the heightened efficiency and intelligence of management. Where the facts are available, there is less of a disposition to become panicky, even in the face of disappointments. Where abysmal ignorance formerly existed, the best managers are now fully informed concerning the basic statistical facts which determine the prosperity of their enterprise. Under Herbert C. Hoover, the Department of Commerce has taken the leadership in disseminating sound trade information. It has worked through business organizations. The Chamber of Commerce of the United States and its affiliated associations have been significant reservoirs of illuminating business statistics. The press, too, has



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"Even vacation time brings no lowering of office efficiency in the office that is Dictaphone-equipped," Mr. Woodbridge continues. "Executives handle the extra dictation at their own convenience, without upsetting their secretaries' working schedules. Secretaries plan their time to take care of their extra duties in comfort and independence. There's no delay—no waiting and no interruption. The Dictaphone carries all the overload—takes up all the slack."

Miss Short, Mr. Woodbridge's secretary, says she no longer dreads the summer. She's never "worn out by 5 o'clock," never works overtime, and keeps so fit that when her turn comes she takes "a real vacation—not merely a rest!"

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amplified its facilities for spreading financial and commercial intelligence. Moreover, a new generation of trained business leaders, able to interpret the stream of statistical facts, has been developed. The great universities have opened schools of business, raising the art of barter to the dignity of a science or profession.

This new economic culture must be appraised in studying the changed curves of the business cycle.

As recently as 1919, the business world blundered by means of rule of thumb methods and guesswork.

A single typical incident will illustrate the striking change. In August, 1919, when thoughts of an impending sugar famine were still respectfully regarded, a leading sugar company arranged to allot to the families of senior officers of an affiliated bank 100 pounds of sugar (per family) at the special rate of 19 cents a pound. The bankers were happy to get the privilege of being assured that they would receive a supply of sugar at this price. By December, 1919, sugar was available to the public at 5 cents a pound. Neither the sugar officials nor their bankers had truly comprehended the situation. They were doing business on guesswork, ignorant of the basic statistical facts concerning supply and demand.

UNDER the new regime, business meets adversity more calmly. The collapse of the Florida land boom, the overflowing of the Mississippi River, the collapse—since remedied—in the price of cotton, the bank crisis in Japan, war in China, strained relations with Mexico and Nicaragua—all these events have come and gone without seriously disturbing prosperity. Under less favorable conditions, any one of them might have precipitated a commercial—or at least a speculative—collapse.

FOLKS, unskilled in the intricacies of finance, have long secretly believed that bankers play a "heads I win, tails you lose" game. Instead of berating bankers in the old-fashioned way, the new vogue has been to attempt to get aboard. Accordingly, prices of the shares of large and well-managed banks have risen in spectacular manner to unprecedented heights.

The emergence of America as a leading creditor nation has enormously strengthened the prestige and resources of strong American banks. Since 1914, New York has been transformed from a national monetary center to a world financial capital. During the transition, the dominant banks developed new sources of revenues, in addition to the conventional profits from ordinary commercial banking. One great New York institution, for example, has in the last decade increased tenfold its profits from its fiduciary activities in the trust department. Moreover, in this period, it raised its bond department from a small adjunct to a separate entity which counts its annual profits in the millions. America's new creditor position has given the banks new revenues from their foreign departments.

Those who at this writing would liquidate their holdings of stocks of successful banks would show striking profits. Walter H. Woodward, dealer in bank stocks, points out in "Profits in Bank Stocks" (Macmillan)

lan), which has just lately been published:

"While there are at times bank stocks offered in the market at a price to yield 4 or 4½ per cent and sometimes even 4¾ per cent on the investment, it is unusual, and most experienced investors pay practically no attention at all to the present yield on their investment. Most of them have learned by experience that if they buy a good bank stock and hold it for a long period of time, they will ultimately enjoy an annual net return on their investment ranging from 10 to 25 per cent, depending upon the stock bought and the period of time which they have held it. This comes from gradually increased dividend rates, stock subscription rights and gradual increase in the market value of the stock owned."

Such generalizations, based on hindsight, are likely to be misconstrued. Although the growth of banks in the last decade has been dazzling in its rapidity, there is no assurance that the same rate of development will continue over the next ten years. Yet many security vendors base their whole campaign on that speculative assumption.

Moreover, even the best stocks do not move uninterruptedly upward. Like other securities, they have their vicissitudes. In 1921 and 1922, shares of one large New York trust company, which at this writing are commanding \$600 a share were available at \$140.

The profits were made by those with the courage and the vision to hold on, not by those who sold out in depressed times through necessity or fright.

Bank stocks have been absorbed in large quantities by institutional buyers, especially by insurance companies and by new investment trusts.

Acting on the belief that it is logical to assume that bank stocks will do as well during each of the next ten years as they have in each of the last five, a newly formed investment trust advertises an estimated return to investors of about 20 per cent per annum. Apparently the basis for raising high hopes in the minds of lay investors is the subjoined statement: "Bank shares have proven exceedingly profitable. Records for the past five years show that the stocks of the banks in this unit have gained, including dividends and increase in market price, 21.9 per cent per annum." With all due respect to the high character of the collateral, an outsider might be pardoned for reminding the promoters that a prolonged upward movement is usually followed by a reaction, not by a further uninterrupted rise.

WHEN and if a marked setback in security prices should develop the real utility of new American investment trusts, which are springing up everywhere, will be tested. The idea has been borrowed from the English and the Scotch. London and Edinburgh trusts have a tradition that goes back six or seven decades. But investment trusts in the United States are distinctly a post-war development. The first sizable American trust was started in 1921, and the movement did not really get under way until three years ago. The current year has witnessed the creation of more trusts than any other. Since mid-winter, the number of such instrumentalities for investing funds for others has nearly doubled. There

To officers of corporations

Our analyses show that most public financing is undertaken for one or more of the following reasons:

1. To save interest charges.
2. To reduce sinking fund payments.
3. To fund current debt.
4. To unify and simplify capital structure.
5. To secure additional working capital.
6. To expand plants.
7. To finance consolidation with distributors.
8. To finance consolidation with raw material manufacturers.
9. To merge competitors.
10. To purchase interests of inactive or retiring stockholders.

If you have a problem in your company similar to any of the above, or if for any other reason you believe that a plan of financing would be to the advantage of your business, we shall be pleased to analyze your problem and submit what we regard as the most practical and economical program.



"Our sinking fund payments are depleting our working capital"

The treasurer was discussing the year's budget with the corporation's other executives.

Sales were increasing, which required more working capital. The company had put out a bond issue in 1920 and to meet market requirements at that time had agreed to a heavier sinking fund than necessary today.

Several ideas were advanced to meet the problem.

"Wait," said the president; "let's invite The Equitable Trust Company to analyze our situation. Their Bond Department has handled many industrial securities. Their advice will be worth while."

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

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MADISON AVE. at 28th St.

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PHILADELPHIA: Packard Building	ATLANTA: Healey Building
BALTIMORE: Keyser Bldg., Calvert and Redwood Sts.	CHICAGO: 105 South La Salle St.
	SAN FRANCISCO: Financial Center Bldg.

LONDON • PARIS • MEXICO CITY

Total resources more than \$500,000,000

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The Reserve Income

BUSINESS men and women should have a second or reserve income distinct from that of their earnings — to offset business reverses or declining earning ability, and to purchase comfort when they retire.

The income from a reserve fund of sound investment securities is the *best* bulwark against these ever-increasing possibilities.

Start now to build your reserve income.

Our monthly list of Investment Suggestions will help you . . . Ask for folder, N-10

HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON NEW YORK CHICAGO CLEVELAND
DETROIT PROVIDENCE PORTLAND, ME. PITTSBURGH

The New Competition IN STEAM GENERATION

MANY corporations are taking advantage of present conditions to fortify themselves against closer manufacturing margins in the future.

Even better steam generation is being considered as a fruitful field for executive attention.

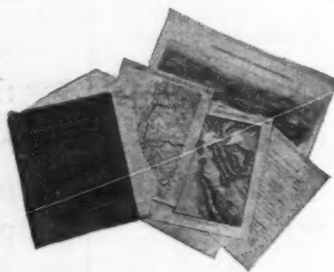
Our staff, with twenty years of professional experience concentrated on the business of steam generation, is in an unusually favorable position to help in speeding up the improvement your own staff is striving for.

"Even Better Steam Generation" deals with the subject, entirely from the viewpoint of general management. A copy will be sent to any manufacturing executive upon request.

FUEL ENGINEERING COMPANY
of NEW YORK

Fuel and Power Engineers
116 EAST 16th STREET, NEW YORK

EST. 1907



Send for this Data on Pacific Coast Distribution

Manufacturers considering the Pacific Coast market should have a copy of "Increasing Sales Through Better Distribution on the Pacific Coast." It is full of charts, maps, statistics and authentic information and it will be sent free to manufacturers on request.

Send for this Report Today

**LAWRENCE
WAREHOUSE COMPANY**

A. T. GIBSON, PRESIDENT

37 Drumm St., San Francisco, Calif.

are now at least 95 investment trusts in the United States, which offer their own securities to the public, and invest the funds thus raised in stocks and bonds of business enterprises and governments.

This new vogue of investing by proxy is designed to give the inexperienced investor the benefit of expert management of his funds. Moreover, by cooperation with other investors, the subscribers form a large pool of capital, which can be more widely diversified than the funds of a single individual of small means. The English type investment trust offers diversification, expert initial selection of securities, and continuous supervision and changes by specialists.

Although some American trusts have followed the English patterns, others have struck out along new lines.

There are two schools of thought as to the form which American trusts should take. One, following the English model, gives wide discretionary power to management. The other, which takes the nature of fixed trust, makes it difficult or impossible for management to shift collateral in the light of changing conditions. The fixed trust minimizes the dangers that come from mistakes in management, but is based on the fallacy that economic conditions are unchanging. As a matter of fact, flux is eternal in business, and whole industries and giant enterprises sometimes yield to new inventions and new leaders. The capital structure and legal form of the trust vary widely, and each offering must therefore be separately analysed. The essential merit of a trust lies in the character and capacity of the managers, and the investor should investigate the personnel behind the trust carefully through competent, unbiased sources.

Although the investment trust gives promise of protecting the lay investor from his own blunders, it is important that the individual make sure that the individual trust is trustworthy. Already there is evidence that individuals on the borderline of respectability are flirting with the new financial hobby. Trusts, organized primarily from the selling end, rather than from the buying end, do not hold out great promise for the public, particularly during periods of adverse market conditions when the skill of management gets its severest test.

BUSINESS is placing a new emphasis on beauty.

The discarded Model T of the Ford Motor Company, which appealed to 15,000,000 buyers, stressed utility and economy at the expense of beauty. The General Motors Corporation, on the other hand, in its advertising for the Chevrolet car, which temporarily succeeded the Ford as the low-price favorite, characterizes its product as "the most beautiful Chevrolet."

Since the old Ford car was originated, the average man has widened his buying power. There has apparently been a growing demand for better things. The new urge is in part a phase of the "keeping up with the Joneses" instinct. The ultimate weakness of the Ford Model T was that it was a symbol of cheapness, and denied the impulse of Americans to seem prosperous

and on the road to success. In marketing the new Ford car, which has been designed to cater to the new prejudices of the market place, much sales resistance of this snobbish character could be instantly eliminated by calling the new Ford "the junior Lincoln."

UP TO the present writing, security buyers have expressed at the Stock Exchange confidence in the ability of the General Motors Corporation to prosper even under the new Ford competition. The industry itself, however, has learned to regard Ford's maneuvers as unpredictable and to await the event itself.

The new competition between Ford and General Motors represents not only a clash between products, but also a war between basic economic conceptions. Ford symbolizes the individual genius in manufacturing, and General Motors typifies the modern spirit of big business, which brings together brains, and capital from many co-operating sources.

Ford's great handicap lies in the fact that he allowed the momentum of his sales to die down. In spite of an exchange of compliments there is no doubt that each side is battling fiercely for leadership in the low-priced field. Never before in his career has Ford been so pressed by competition from within the industry. A by-product of the economic strife will no doubt be excellent values for the public in the low-priced field.

DR. DONALD A. LAIRD, head of the Psychological Laboratory at Colgate University, believes the time has come to build "psychologically model" houses. The conventional model houses are exemplary, he says, from an engineering, rather than from a human standpoint. The psychologically model house, he said, would be free of devices which caused embarrassment, it would be worry-proof, convenient and esthetic.

THE RISE in farm products since the middle of May checked the prolonged gradual decline in commodity prices. The new stability in the averages resulted from an upturn in quotations on cotton, cattle, corn, hogs, beef, eggs, wool, and hides.

The revival in agricultural prices augurs well for fall trade prospects.

A combination of unseasonable and rainy weather, depression in the Mississippi Valley from the floods, the soft coal strike, and a disposition to limit output to visible demand resulted in a sharp curtailment of business activities during the summer. The falling off in railroad car loadings was an accurate measure of the seasonal slump, from which industry and trade have been emerging in recent weeks.

THE PASSING of Judge Gary from the business scene fixes public attention on the post of chairman of the board of directors.

In recent years, this place has been assuming increasing importance. Since the war, many leading bank and industrial presidents have moved over to the chairmanship of the board, and shared executive responsibilities with younger men who have received the title of president. There has

When Resourceful Service Meant Saving Money



Our Havre Office, one of eight
Guaranty Offices in Europe

ONE of our customers recently had proved to him the value of a banking connection that affords resourceful service in the unusual situations that are inevitable from time to time.

A firm in Europe had accepted only part of a cotton consignment shipped by our client, who was then faced with the serious problem of disposing of the remainder.

Through one of our European branches we negotiated a sale to another firm on terms satisfactory to our customer, and attended to the collection of proceeds for him.

That incident is typical of our personal interest and effort which, combined with exceptional facilities, make Guaranty service of genuine value to our customers.

We invite established concerns to allow us to prove this to their satisfaction.

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What Is An Appraisal?

An appraisal is an impartial, authoritative report on property or property values.

It provides the basic information about property upon which the whole structure of property administration and conservation is erected.

The utility of an appraisal is in direct ratio to the confidence in the organization making it. Such confidence is built only through long years of conscientious service in the making of demonstrably accurate reports and valuations.

THE AMERICAN APPRAISAL COMPANY

A NATIONAL ORGANIZATION

For the Retailer Who Looks Into Tomorrow

THE PROPRIETOR of the small retail store can avoid costly mistakes by following the suggestions in "*Planning Your Business Ahead*," a pamphlet prepared by the Domestic Distribution Department of the United States Chamber of Commerce.

This pamphlet shows how the retailer can plan his entire business a year ahead. Each step is illustrated by charts. The price of this pamphlet is 10 cents.

DOMESTIC DISTRIBUTION DEPARTMENT

United States Chamber of Commerce Washington, D. C.

been no uniformity of practice among corporations in fixing the relative importance of the two jobs. Ordinarily, the president is directly concerned with day to day operations, and the chairman of the board of directors with general long term policies. The chief power of the chairman is his capacity to influence fellow directors, in whom the real power, conferred in theory by stockholders, lies.

THE STOCK market division is along subtle lines—not between calamity howlers and optimists, but between those who believe security price rises have exploited all the good news in prospect and those who believe that the country, with its vast gold holdings and dominant creditor position, is destined to face an uninterrupted period of prosperity for many years.

The "Standard" Family

OLD AS the American family is, not much is known for sure about its real size. For a good many years the "normal" has stood at five members—two parents and three children. That figure has done doubtful duty in all sorts of calculations of family budgets, salaries, wages, house plans, and other living problems. Now, that first aid to domestic and professional statisticians is under indictment for fraud.

The charge that this "standard" family is mostly mythical is made by reason of a study of 23,373 Chicago families by representatives of the American Home Economics Association and Chicago University. A preliminary report of the investigation declares that "the so-called normal family of two parents and three children was found in only 11 per cent of the families studied." And not such a great figure is cut by fathers in the facts dredged up by the house-to-house questioning. The popular notion that the father, single-handed, supports his family was found true in only three-fifths of the families.

Of all the families included, almost one-fourth had no children living at home, another fourth had only one child, and about one-fifth had two children, and less than one-third had three or more. As for the total number of children who must be provided for, the investigation disclosed that "more than two-thirds are in families which have three or more children. In other words, were each family to receive an income sufficient to support four members, more than two-thirds of the children would be inadequately provided for, since they would be in families of more than four members."

Where there are four children, the study shows, the parents carry the burden of child care and dependency over an average period of twenty-four years. During seven years of that time, one child is cared for; for another seven years, two children; for six years, three children; and for the last four years, four children.

With all that has been said about the wear and tear of divorce on family life, it is pleasantly surprising to learn that few children had to live under divorce.

The Saga of Joshua Cann

Now Joshua Cann was a bumboat man,
And a bum, bum boat had he,
For a Shipping Board boat that would
barely float
Carried him over the sea.
He had bought this boat that would barely
float
From our kind Shipping Board "as is."
It was full of squeaks and groans and
creaks,
This bum, bum boat of his.

Josh was first to see in the rare whiffle tree,
The chance for profits large,
So to far-off Aloes, where the whiffle nut
grows,
He guided his leaky barge.
And with each trip in his spavined ship
His earnings grew and grew.
Till at last he declared, "By Gosh, I'll be
squared
With the bank and the coal yard and the
crew."

Now Ezra Spun was a Congressman,
And a powerful one was he.
He got a letter from Ira Fretter,
Of Whoosisville by the sea.
"Dear Ezra," he read, "start using your
head,
For Whoosisville's shipping is large.
Between me and you we've got a canoe
And a sailboat and rowboat and barge!"

"Now your term will be short, if we don't
get a port
For Schooners and liners and such.
It would give jobs by dozens to uncles and
cousins
Who never amounted to much."
So the harbor was cleared and huge docks
appeared
For the sailboat and rowboat and scow.
Said Congress, "We're slipping, we've got
to have shipping
To fill up these docks we have now."

So the Government bought some new ships
and sought
To fill up the handsome new docks.
But isn't it funny that taxpayer's money
Should throw old Josh Cann on the rocks?
For the new ships are pretty, the captains
are witty
And the first mates are handsome and
brave,
And these ships can lose just as much as
they choose,
While the taxpayers grumble and rave.

* * *

Old Joshua Cann is a bumboat man,
And his boat gets bumper each day,
While it waits in the dock for the auction
block
That isn't so far away.
He couldn't compete with a government
fleet
That runs their ships for fun.
Thus old Josh Cann, the bumboat man,
Was wrecked by Congressman Spun.

—H. F. CAMPBELL

The BANK OF CALIFORNIA, N. A.

A National Bank

SAN FRANCISCO

FOUNDED 1864



CAPITAL \$8,500,000

SURPLUS AND UNDIVIDED PROFITS

EXCEED \$8,500,000

With a background of over sixty years' participation in the development of the West, this Bank, at each of its offices, provides complete commercial banking facilities for individuals, firms, corporations, banks and bankers interested in local or nation-wide enterprises.

FOREIGN TRADE

Long-standing, intimate relations with leading commercial banks in principal foreign trade centers enable this Bank, at each of its offices, to handle all banking requirements arising in export and import business.

TRUST SERVICE

This Bank, at each of its offices, acts for individuals, firms and corporations in every fiduciary capacity permitted to banks or trust companies under Federal laws, and the laws of the respective States.

BRANCHES

Owned and operated by this Bank since 1905

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MAKE it for LESS in SPARTANBURG

Cut Corners in Costs

This Survey Shows How

MAKE your product where labor costs are 30% lower. Where construction costs are 20% lower. Where restriction of output-per-operative does not exist. Cotton can be manufactured here at 5c a pound cheaper than in New England and the same conditions will reduce production costs on almost every other commodity.



What Spartanburg Offers

POWER—In the center of the country's great hydro-electric area. Ample power at low rates.

WATER—Four large rivers and many small bold streams assure abundant year-round supply.

LABOR—White, All-American, Intelligent. Used to longer hours and productive work. Labor unrest unknown and labor turnover almost negligible.

TRANSPORTATION—Two trunk lines to middle west. Two to Atlantic Coast. On main line of Southern Railway from New York to New Orleans.

AIR MAIL—Regular stop on U. S. Postal Air Mail Route, 6 hours to New York.

COAL—In close touch with great coal fields. Best grades of steam coal obtained at low cost.

GET COMPLETE DETAILS. Ask for survey applying to your own product. You may be astonished to learn how much more economically it may be manufactured here. Your investigation costs you nothing.

INDUSTRIAL COMMISSION

1400 MONTGOMERY BUILDING - SPARTANBURG, S. C.

SPARTANBURG



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SOUTH CAROLINA

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Effective Advertising

"IN comparison with the rest of our advertising schedule for the industrial market, *Nation's Business* surpasses all other publications for effectiveness," writes J. G. Mayer, Advertising Manager of the Anchor Post Fence Company, New York. "The editorial content and general layout of your magazine is in our opinion the magnetic power which attracts the busy executive to delve within the covers of *Nation's Business*."

When writing please mention Nation's Business

A Machinery Merger That Worked

By R. W. GORDON

Vice-President General Iron Works Co., Denver, Colorado

TWO MORNINGS after a series of cloudbursts devastated Pueblo, Colorado, June 4, 1921, the general manager of the Stearns-Roger Manufacturing Company went from Denver to the scene of disaster, wearing hip-boots and carrying blankets in a pack on his back. His business was to direct the salvaging of his company's plant and to outline plans for the future of the company's manufacturing.

The situation looked hopeless. All territory available for rebuilding or expansion was wiped out by the torrential water. Another flood might come at any minute. The obvious first step was to tear out the remaining machinery, and locomotive cranes began their work. Ten days later, the president of the company made the trip from Denver to Pueblo. A conference resulted in the decision to move the location of the plant to Denver, where the general offices were.

Still, that didn't greatly brighten the outlook for the future. Denver didn't want another manufacturer of mining machinery, and this is why:

Overproduction of Mine Machinery

TWENTY-FIVE years ago Denver—and Salt Lake—were prosperous world centers for the manufacture of mining machinery. When the mining industry faded away, as it did quite suddenly, the shops were left without work. The employees drifted elsewhere, machinery became out-of-date, and no one concern had business enough to justify modernization, either of personnel or equipment. Denver shops were being closed gradually, or placed in the hands of the receivers. Those that were surviving made a bare existence. The decision of the state's largest manufacturers of mining machinery to move their plant to the melancholy scene simply meant the creation of further competition and undue price-cutting, spelling eventual disaster to some and a struggle scarcely worth the effort to others, including Stearns-Roger. However, the company had to go somewhere, and Denver offered the best possibilities of any place in Colorado at the time.

It was thought better to buy an existing plant than to build a new one at the present prohibitive moment. Even this plan had its grave difficulties. Because of conditions, the available plants not only had limited room, but there was no space for expansion, nor opportunity to make a modern plant of any of them.

One night the vice-president of the Colorado Iron Works, whose plant Stearns-Roger was considering, and the general manager of Stearns-Roger fell to talking of consolidation. At the time it was little more than a thought, with not much approval from either side. Complete consolidation did not strike fire for the reason that each concern had its friends and enemies, each had competing specialties, and each had salesmen who would find it difficult to work together after the keen and often bitter manner in which they had competed.

The engineering and financial departments were closely tied with the salesmen and could not well be separated.

But there were no entanglements or hard feelings at the manufacturing end. The shops had little contact with the salesmen and less with the final customers. . . . So the evening's talk drifted along, ending with the possibility of consolidating one feature, manufacturing, as a trial. The next day the two called a third man in conference—the president of the Denver Engineering Works.

It took a little time to realize that manufacturing was the vital part; longer still to figure out in black and white that one shop could and should do the work for all; still longer to determine how this could be done without sacrificing individuality and control by each concern over its share in capacity and production.

Ultimately a start was made by the four largest allied concerns in Colorado, the new one being the Queen City Foundry. They were followed in a few months by the Vulcan Iron Works Company which made a deal with the Mine Smelter and Supply Company to come in. It was all decided as the result of a lot of talk done at odd times, for there was the serious business of making a living as separate manufacturers to be attended to meanwhile. Six months were taken in outlining conditions which were fair to all. At first there was no contract, simply a gentleman's agreement. Later the agreement was reduced to writing. It was drawn up by the members of the new company which is known—as a manufacturing entity only—as the General Iron Works Company. Lawyers were called in only at the last to insure no violation of the Sherman Act. Eventually there was a contract.

Experimental Manufacturing

MANUFACTURING started in three then existing plants. That was done as a try-out, and until the five concerns could decide how best to build a new plant, where, and how to finance it. The new plant has been in operation a little over two years.

The first move was to secure an appraiser from the East, who put a value on each tool of all the concerns which could be used in the consolidation. For these tools, in addition to stores and building materials, common stock was issued. New tools and the eventual new plant where all the manufacturing is now done were financed by an issue of bonds and by preferred stock sold locally. With certain limitations, each company received a proportionate capacity in various departments of the plant and was given permanent representation on the board of directors which controls plant operations. The company most largely interested was chosen to handle the details as permanent general manager.

In the beginning the general manager met with the board of directors once a week. Then, as the General Iron Works settled

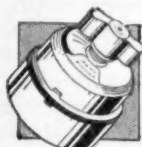
On a Shelf lay the *Solution* of his Problem!



TO simplify production and cut costs, the builder of a household appliance wished to replace with a Universal motor, the split-phase type he had been using. Samples had been wound and tried, but failed under test.

Still the manufacturer's engineers believed a Universal motor that met all requirements could be developed. On a shelf in their own laboratory they found one day an old Domestic Universal motor, and decided to experiment for themselves.

Their random selection so nearly met the requirements that the Domestic Electric Co. was called in. Domestic made electrical and mechanical modifications to fit the particular application—and today numbers this manufacturer among its most valued customers.



For protection from overload—the Domestic Automatic Safety Switch

(95)



There is a great and rapidly growing demand for the Universal type of motor, where electrical appliances are called upon to operate on different currents and under varying loads.

When correctly designed, correctly built, correctly applied, the Universal motor meets many requirements of service that other types cannot meet. It is dependable—flexible—efficient—economical.

A correct application of the Universal motor often simplifies the appliance builder's production problem—and cuts his costs. It allows appliance dealers to carry in stock only one type of motor and one assembly, regardless of the kind of current used.

The Domestic Electric Company, a pioneer in the development of the Universal motor, has for many years analyzed its possible fields of usefulness and the variations of design required for specific applications.

Our engineers bring to appliance manufacturers an experience that is unique in the fractional horsepower field. Let them study your motor problems—operating as a department of your business would operate—and make recommendations.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Avenue CLEVELAND, OHIO

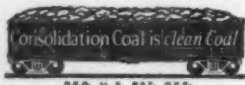
Domestic
"INDUSTRY'S BIGGEST" "LITTLE THING!"
Electric Motors
FRACTIONAL HORSEPOWER

(96)

A Really CLEAN COAL



CLEAN by nature and kept clean by skilled mining and careful preparation Consolidation Clean Coal sets a high and recognized standard of coal quality. The *added value* in Consolidation Clean Coal lies in the simple fact that you are not buying wasteful impurities but a pure rich coal with a high heat content.



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INCORPORATED

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CHICAGO, ILL. Bankers Building	NEW YORK, N. Y. Munson Bldg.
CINCINNATI, OHIO Union Central Building	MORRISVILLE, N. C. National Bank of Commerce Bldg.
CLEVELAND, OHIO Union Trust Building	PHILADELPHIA, PA. Land Title Bldg.
DETROIT, MICH. First National Bank Bldg.	PORTSMOUTH, N. H. 277 Market Street
WASHINGTON, D. C. Union Trust Bldg.	

Sales Agents:

NORTH WESTERN FUEL CO. St. Paul, Minnesota	EMPIRE COAL COMPANY, LTD. Toronto, Canada
P. HURLBURT COMPANY Green Bay, Wisconsin	EMPIRE COAL COMPANY, LTD. Winnipeg, Canada

Foreign Offices:

GENOA, ITALY—40 Via Roma LONDON, ENG.—Hillier Sq. Bldg.

Export Department:
NEW YORK, N. Y., Munson Building

Operating Department:
FAIRMONT, W. VA.

down into smooth running, the meetings were once in two weeks. Now they are occasional only, and reserved usually for the purpose of passing on formal matters. What business a member has to discuss with the general manager is apt to be of a nature which does not require the attention of the entire board and can be handled better during a luncheon hour or, as often happens, by telephone. The nuisance of frequent meetings has been further eliminated by the sending out of bulletins when any minor changes seem advisable. These are preferably sent out ahead of the date of effect, in order that possible objections may be discussed.

Each company has agreed in writing that it will not again enter into a similar manufacturing business in the state, either directly or indirectly, for a period of 20 years. All its orders must be filled as far as it is possible by the General Iron Works. Certain work is allowed to be sent to outside firms which are specialists and can do it more cheaply and quickly. When, as occasionally happens, General Iron Works receives inquiries for material which can be supplied by any or all of the members, the general manager must immediately notify each, simultaneously, and without preference, and without influencing or attempting to influence the placing of the order with one member. General Iron Works accepts orders only from its stockholders.

Individualism But Cooperation

NOTHING keeps the members from retaining their original corporate entity, sales organization, experimentations, and dealings such as they, respectively, were engaged in prior to the consolidation. Everything, except for manufacturing, is as it was. And even the manufacturing, so far as advertising is concerned, is an entity. For each firm that is a member of the General Iron Works has the privilege—and applies it to advantage—of using airplane views of the new plant and any interior pictures in its advertising, terming them its own and in such unmistakable form as "Airplane View of the Vulcan Iron Works Company Shops," or "The Colorado Iron Works Company Shops," etc., as the case may be.

The plant superintendent is chosen by the general manager, is answerable only to the general manager, and has the usual authority. Each member has its own engineer who has his office at the general offices of his employer. He feeds his prints into the shops. Although none of the designs can be entirely secret, they are protected under the agreement and cannot be used by any other of the members without special arrangement with the owner.

Each member, as said before, has a proportionate share of the space and capacity of the plant. The terms "capacity" and "space" mean an equitable division of labor, both as to number and skill, of tools, material in stock, shop space, handling and shipping facilities, and superintendence of the work in progress. Each member's orders are numbered in sequence and are executed in such numerical sequence, except in the case of repairs or breakdown orders which are given precedence over regular orders. However, the space and capacity of one customer if needed by him cannot be

utilized by another without special consent.

This division does not mean, however, that one-fifth of any part of the shop or its equipment is ever kept idle because the member entitled to its use does not happen to need it. There are, for an example, some 30 lathes in the plant. They are all busy, none of them waiting for the member whose process of manufacture does not, for the present, require his fifth.

Overhead is applied in proportion to the work actually done and not according to each member's capacity—so it was early realized and agreed that as an absolute necessity, a gradual and not a sudden switch must be made to give a member his full capacity where he had not been regularly using it. However, no member has the exclusive right to any special machine tool for a period longer than two weeks without the consent of all the other members who have work on hand requiring the use of the tool.

Under agreement to operate the plant so economically as to manufacture at the lowest possible costs, the General Iron Works fulfills orders for its members at the actual cost of labor and material, plus an overhead charge. This phase has made necessary an exact cost system and has, as a result, been one of the greatest benefits of the consolidation.

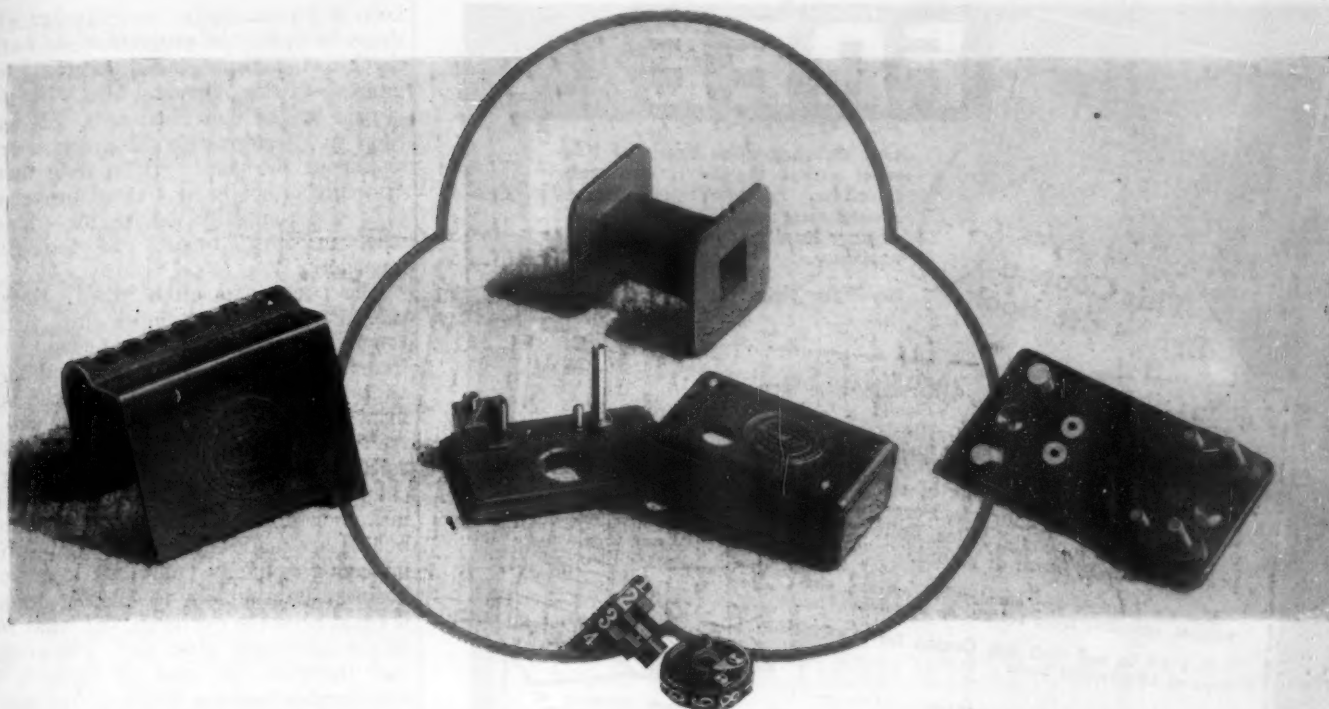
The reason why many concerns fail is because they do not have definite cost systems, or else do not use them. A firm is apt to say, "We have this tool and we may as well use it." So it doesn't charge up its cost, and, like the average man with his automobile, depreciation doesn't enter into consideration until complete renewal is necessary. Something very similar was happening to the members of the General Iron Works when they were operating separately. In the old days, for example, a firm would take any job that came along at almost any price, and figured out its financial standing at the end of the year only. It is different now. Today a member has to pay actual manufacturing costs on each job, whether he sells at a profit or a loss. As a result he estimates carefully in advance.

Cost System Carefully Kept

TO THIS work of keeping a cost system, a great deal of thought has been given. Besides paying for the cost of direct labor and material, there is the overhead charge determined by the directors, which includes indirect labor, interest, depreciation, repairs, insurance, taxes, salaries, and all the items usually included in manufacturing overhead. The percentage of this overhead is raised or lowered, largely dependent on the volume of business in sight. At first it had to be changed every month. Now the manufacturing has been so standardized that it is anticipated it will be necessary to change not more than twice a year. An effort is made to equalize the percentage. In summer, when work is heavier, the charge is a little more than actual; in winter it is a little less.

All the work done for each member in any one month must be paid for before the 10th of the following month, regardless of the condition of each job. Then a statement of the costs of each order is rendered in great detail immediately after shipment.

At all times each company is entitled to



Bakelite Molded ratchet wheels and other Bakelite Molded parts of the Magnetic Counter made by the Production-Meter Service Corp., Chicago, Ill.

Tested for 30 million revolutions with no indication of wear

IN THIS counter, running continuously at the rate of 100,000 turns per hour, after attaining a total of 30,000,000 revolutions, the Bakelite Molded ratchet wheels showed no perceptible wear. They proved far more resistant to wear than wheels made of die cast brass.

For the operating parts of mechanisms where freedom from wear is essential to accurate operation, the hardness of Bakelite Molded is a decided asset. But it possesses other, and often equally important advantages. It will not corrode under any atmospheric conditions. It is non-hygroscopic and lubricants

do not harm it. It is light in weight and its color and lustre are permanent.

Because of its many advantages Bakelite Molded is also used for the case and other parts of the counters and production meters made by the Production-Meter Service Corporation of Chicago, and some of these are illustrated above.

Bakelite Engineering Service

Bakelite Sales and Service Engineers are located in important industrial centers throughout the country, and they are equipped to render prompt and helpful cooperation to present and prospective users of Bakelite Materials. The Bakelite Corporation places at their service the facilities of its extensive laboratories, and its unequalled experience in the practical application of phenol resin products to industrial needs. Write for Booklet 42 "Bakelite Molded."

BAKELITE CORPORATION

247 Park Avenue, New York, N. Y.

Chicago Office, 635 West 22nd Street

BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ontario, Can.

BAKELITE

REGISTERED




U. S. PAT. OFF.

THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business



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Get this 140-page Book of life-size ruled forms, completely filled in. Answers problems of accounting and "keeping track" of any business or professional activity.

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Send Me 140 pages. Illustrating time-saving uses of Moore's
Your FREE Book Loose-leaf Binders and Forms in any business.

Dozens of stock forms, all filled in to show
their uses—Ledgers, Journals, Perpetual In-
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practically every form of record.

Moore's Binders are simplest to operate, con-
venient, compact, most reasonable in price.

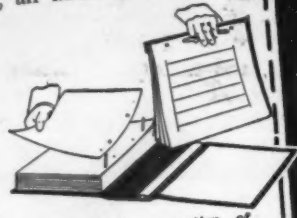
Just fill in and mail this Coupon for a FREE
copy of this helpful book.

Name

Business

Address

Illustrating handy operation of
Moore's regular 4-post Binders.
The new Moore's VISIBLE is
just as simple and does the
work of a whole roomful of ex-
pensive steel or wood furniture



MOORE'S LOOSE LEAF SYSTEMS

In Use In More Than 300,000 Offices

It Now Costs Less to Paint

Where the amount of painting being done by any firm requires as much as 400 man hours per year it is possible to reduce the cost of this work by almost 50% through the use of a Matthews Mechanical Painting Unit. Investigate this fact by writing for the 12-page booklet, "Mechanical Painting For Maintenance". It will answer your questions, cite actual experiences of users, show comparative costs of applying paint on various surfaces, and give interesting information of value to you.



Write today.

W. N. MATTHEWS CORPORATION
3758 FOREST PARK BLVD., ST. LOUIS, U.S.A.

MATTHEWS MECHANICAL PAINTING EQUIPMENT

10-MP

The GLEN SPRINGS



IN all America, there is no other place like this—where the Radio-active mineral springs and the natural Nauheim brine baths offer you all the advantages of European Spas.

An estate of a thousand pine-fragrant acres. A setting of matchless scenic loveliness in the heart of the Finger Lake country. A splendid golf course. A justly famous cuisine, with private Dairy and Poultry farms. A daily concert program. Visit "The American Nauheim" this fall—and take off ten years!

The Baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout, and obesity. Complete medical and hydrotherapeutic facilities, and modern aids to diagnosis. Write for illustrated booklet.

THE GLEN SPRINGS
WATKINS GLEN • NEW YORK
WILLIAM E. LEFFINGWELL, President

keep a representative or inspector at the shops to watch the progress of its work, to check costs and, in general, to attend to the interests of the individual firm. His salary is paid by the individual firm. He has no right to interfere with the progress or discipline of the plant. If he feels that his company is not being treated properly, he puts the complaint before his employer, who, in turn, reports to the general manager.

The question is often raised: Does not the fact that one member firm virtually controls the entire coordinate company give that firm opportunity for taking unfair advantage? Under the terms of the agreement, the managing member cannot well take advantage, for in doing so he would certainly cut off his own nose. For instance, three of the member companies make hoists. They are of different pattern, but all are made in the same shop. If the managing company undertook to make the business unprofitable to another member, it could raise the overhead, but what would be the advantage after all? The overhead and therefore the cost of its own very considerable business would mount also. It might allot inferior men or tools, or delay its competitor's work. Result—permanent loss of business to that company and therefore loss of business to the General Iron Works, which would be reflected in a general increase in the manufacturing costs of all the customers, including the managing member.

More Business Helps All

THE WHOLE idea behind the consolidation is to get more and more work into the shops. The more business, the lower the overhead, and therefore the lower the costs to all.

It is in many ways better to have a managing member. It brings about personal interest and not company interest. Company interest means committees, conferences, and compromises, and all are usually unsatisfactory. This arrangement means that all the members look to one man. If anything goes wrong, they know who is to blame. And then in this case, through its volume of work, the managing member has a dominant and vital interest in the venture.

The adequate reserve funds set up for depreciation and new equipment have been invested in modern tools beyond the possibilities or wildest hopes of any one concern before the merger. Each purchase has meant new economies or applications which, through improvement in quality or cost reduction, have brought more orders which again provide more funds for equipment.

Finally, the move has brought about a combined selling strength and enthusiasm which is not to be overlooked. Each member of the firm has its own friends. The community shop has the personal pull of all those friends. If one member does not land a contract, there are four other chances for the General Iron Works Shop.

There is a growing tendency for each member to specialize along certain lines, and the competition is naturally keener with eastern than with local manufacturers. Denver's manufacturing radius has surely extended, and fewer and fewer orders are finding their way East.

Public Service In Retailing

BY DAVID LAMPE

THERE was a Ford story going the rounds a few weeks ago, that was no joke.

Henry Ford, it seems, went into the retail business. He cut out all the frills and undersold every other retailer in Detroit. The other retailers, of course, became highly indignant. One retailer, I am told, refused to accept a cash register he had ordered, just because delivery was made in a Ford truck!

Now, of course, when I talked to my retail friends, I agreed that it was a damn shame and something ought to be done about it. But I couldn't help thinking of the time when the first sewing machine was wrecked by a mob, infuriated with the thought that they were about to be thrown out of work and the bread taken out of the mouths of their babies.

Have you ever heard of any charity collections being taken up to support those kept out of work by the sewing machine?

Besides, you can't fight competition by protest or boycott when that competition is popular. The public is boss, and those who serve the public will do better to stand together, than to fight among themselves.

The Retailer a Public Agent

THOSE who engage in the retail business must do so with a tremendous feeling of responsibility. They must know that the job of being a retailer is an occupancy of public office, just as surely as that of being, for example, city water engineer. When the water is good, the pressure uniform and the rate reasonable, the city administration stands to continue in office. Let the chlorine become noticeable in the taste of the water, let the pressure fall off, let the water rate go too high, and the city administration has trouble holding its job. When the retailer distributes good merchandise, when the service is efficiently rendered, when the prices are right, the retailer prospers. When the merchandise falls off in quality, when the service becomes poor, when the prices go up too high, the city turns to a new retailer to be supplied. The first retailer suffers—sometimes a bankruptcy.

Our modern, luxurious manner of living, makes wares from many lands and of varied manufacture, of actual necessity for us. The man who gathers this merchandise for us is the retailer. Whether he wants to be or not, he is a public servant—a politician. He must seek our patronage just as sedulously as the candidate for mayor seeks it. Sometimes, like some mayors, he wins our patronage through his personality. But it takes more than his personality to hold onto his job. Unlike the mayor, he elects himself by raising enough capital to start his store. But also unlike the mayor, we do not guarantee him any definite tenure of office. We have a severe recall power over the retailer. We can take his job away from him whenever we want to—and we do, only too often.

The man who contemplates going into the



G. P. RICHARDSON, Director of Sales

"We have
been most
happy

over our choice of Oakland."

THAT is how the Detroit Steel Products Company feels since locating its western plant in Oakland, California. G. P. Richardson of the company writes:

"Investigations were made in quite a number of cities and careful consideration given to the advantages of locating our factory in each one of them, but we finally chose Oakland as the logical place for our Pacific Coast Plant.

"Oakland not only has fine shipping facilities both by rail and water (and the latter was essential to us because of our export business), but an adequate supply of good labor as well as a climate most conducive to energetic work, but far and above these considerations, it is geographically the logical distribution point

for a manufacturer who expects to do a coastwise business.

"We have been most happy over our choice of Oakland. In 1923 we built the original unit of our factory in Oakland; in 1924 we added another unit the same size as the original and in 1926 had to build still another addition which is as large as both of the two other units.

"We are more than ever convinced that for a manufacturer who expects to do business all up and down the Pacific Coast there is but one logical location for him—that is at Oakland, 'The Industrial Capital of the West'."

Get the Facts!
Send for
New Booklet.

"We Selected Oakland," just off the press. Actual experiences of manufacturers, combined with an outline of the vital advantages which have induced more national industries to locate in Alameda County than in any other section of the western states. Write today for your copy.

A technical industrial report will be prepared
for any interested manufacturer on request.

Write Industrial Department

Oakland Chamber of Commerce, Oakland, California

for any information on the following cities of Alameda County:

Berkeley Oakland Alameda

Centerville Emeryville Hayward Irvington
Livermore Newark Niles
Pleasanton San Leandro



Spend February in Hawaii with the C. of C. Convention!

Plan your vacation now—so you can visit Hawaii when the Western Division of the U. S. Chamber of Commerce meets in Honolulu next February.

Eleven Western States, the territories, American Chambers around the greatest of oceans—all will send their delegations to this mid-Pacific Paradise. Members of all Chambers, of course, are invited.

Hawaii's marvelously beautiful islands form an unprecedented setting for this great international gathering and for the Chamber's inspiring program on the vital topics of the West and the Pacific. Every modern convention facility—including a new \$4,000,000 hotel and new steamers costing \$10,000,000.

Special Rates to Delegates

Railroad and steamship lines and Honolulu hotels are granting special rates to delegates and families. Steamers direct from your most convenient Pacific Coast port—San Francisco, Los Angeles, Seattle and Vancouver, B. C. Make your round-trip reservations NOW—to be sure of the accommodations you desire.

Plan your year to combine a refreshing sea-voyage, a new opportunity to get better acquainted with men you ought to know, a great business meeting, and a visit to "Aloha Land,"—all well within the limits of your time for recreation.

HAWAII—the world's new island playground—is fine any time! Come for a vacation whenever you can, and find how many new things there are to do—and how many new ways to rest and do nothing at all—in this paradise where it's summer all winter and spring all summer.

Write for interesting details in the beautifully illustrated free booklet in color and the "Tourfax" travel guide to Hawaii.

HAWAII TOURIST BUREAU

236 McCANN BLDG., 451 MONTGOMERY ST.,
SAN FRANCISCO, CALIF.

When writing please mention Nation's Business

retail business will do well to take a lesson from the level-headed little colored boy I heard about once.

Little Sambo went to school with the white children, in one of your big, Northern cities. One day a congressman addressed the school class. He orated,

"This is the kind of school in which Presidents have been made. All of you have that chance."

The congressman talked on and on. Finally he was done, and the school teacher asked if any of the children would like to ask questions of the congressman. Little Sambo got to his feet.

"Does Ah understand the gemman to say dat Ah kin be President some day?"

The congressman had overlooked the little colored boy, and was taken aback. But he decided to go through with it.

"Yes, son. If a man has determination and if he studies and works hard, he can overcome many obstacles. You all have that chance."

Sambo grinned and said, "Mistuh, Ah'll sell yo' mah chance fo' two bits."

Many a merchant today would make a profit if he sold his chances of success for twenty-five cents, instead of trying to run a store with no special reason for its existence.

Two Plans for Retailing

TOO many men go into business with plans something like this:

"Brownsburg is a big town. The stores are hick stores. But, then, the town is full of hicks.

"I'll get me a prominent location, put in a line of flashy goods, slap on a big mark-up, import a high-powered advertising man, and clean up a hundred thousand the first year and sell out."

Too few become retailers with this plan: "Brownsburg is badly served by its present retailers. The city is progressing, and the people want smarter merchandise. There is a dry goods store, a hardware store, a furniture store. They do business in a careless way that makes their expenses high, and their service is indifferent. Possibly, without realizing it, they have come to take advantage of the fact that they have no competition.

"I'll combine all these types of business into one department store. I'll join a buying organization with headquarters in New York, and I'll give Brownsburg the style it wants. I'll give real service.

"I may not make anything to speak of the first year, but I'll get established firmly."

Competition is sure to force out the retailer who is not imbued with the spirit of public service. The retailer who sees the trend of things has become a student.

He analyzes his community. He systematizes his business. He joins buying and organization groups. He has a representative or a commissionaire in as many market centers as he can afford. He reads Paul Mazur's book. He sends his son to college, even though he may have smiled at college educations no so long ago.

And he makes money. For, although the community supports or deserts the retailer, the community does not set his salary, and

it is a fact that only the retailer who makes money for himself is valuable to the community. For of what good is a retailer to his community, if he cannot stay in the retail business and expand his activities?

I say the retailer is a politician. There are some things he ought to teach the ordinary politician, but some things the ordinary politician can teach him.

The ordinary politician is a mud-slinger in competition. The progressive retailer is not.

The ordinary politician, buying for his community, is fair in his haggling in behalf of his community. There are still many retailers who are sharp-shooters. No community wants its servants to deal harshly with those of whom wares are bought for the community.

If your city purchasing agent tried to employ unfair means in beating down the prices of a manufacturer of paving material, you would show active disapproval. If your city retailers are careful to observe this fact, it will advance the standing and success of retailing.

Unfortunately, this comparison may not seem so good because in most cities, our trouble is not getting our city officials to pay high enough for city purchases. But you know what I mean.

The particular thing in retail operation that is coming in for greatest study is advertising.

When a man runs for public office, the law tells him that he must not spend more than a fixed amount in his effort to be elected. When a man establishes a retail business, the only law that tells him how much he may spend to advertise his business is the law of business judgment.

Percentage is a term of practically recent origin, in retail advertising. Advertising policy is a term also still in its infancy. And advertising media is a term still understood by only a portion of those engaged in operating retail businesses. Fortunately, the retail advertiser's problem has been solved for him, to a great measure, by the remarkable development of newspapers, during the past twenty-five years.

Newspapers in Advertising

NEWSPAPERS have built up such strong circulations and have developed such rapid methods of printing and distribution that they form at least the basis for most retail advertising campaigns. For that matter, there are many very large retailers who use newspapers, only, for their advertising messages. And so, whenever a retailer hears "advertising" he frowns and thinks, "Damn those newspapers, I'm making them rich!"

Fifteen years ago, there wasn't enough newspaper advertising. Five years ago there was too much newspaper advertising. The public was beginning to wonder where the money was coming from. Today, the problem is not the amount of newspaper space used. The public is educated up to the point of knowing that volume pays the newspapers. The problem now is, proper preparation of the advertising that goes into the space.

The advertising writer, a few years ago found that he was being called upon to ex-

*Miles of Road
- on -
Snow Programs*



Clear the Road to Prosperity!

WITH the motorization of America, its roads have become the throbbing arteries thru which the life-blood of the nation pulses. Each year finds your community more dependent on the highways for its growth — for its convenience — for its business — for the very necessities of life itself!

Paying as you do from \$30,000 to \$45,000 a mile for improved roads, can you afford to have them idle four months out of the year? The nation is fast realizing that it costs infinitely less to clear the roads than not to. That's why over 80,000 miles were kept clear last year.

Clear the road to Prosperity by opening the roads to your town.

THE GOOD ROADS MACHINERY CO., Inc.
KENNETT SQUARE, PA.
Snow Plow Headquarters

Pittsburgh, Pa. . . . 1523 Oliver Bldg.
New York, N.Y. . . . 50 Church St.
Philadelphia, Pa.,
2037 Commercial Trust Bldg.
Albany, N. Y. . . . 36 State Street



Watertown, Mass. . . . 36 Pleasant St.
Portland, Ore. . . 3rd & Hawthorne Sts.
Chicago, Ill. . . . 49th & Halsted Sts.
Buffalo, N. Y., 733 Ellicott Square Bldg.



Send for this Hand Book of Snow Removal. Chuck full of vital data on one of business' greatest menaces—SNOW! It's free.

Good Roads SNOW PLOWS

When writing to THE GOOD ROADS MACHINERY CO., INC., please mention Nation's Business

FACTORY FOR SALE!



LOCATED in a progressive Ohio city of over 200,000 population.

MODERN fireproof buildings in excess of 200,000 sq. ft. floor area. (Floor load from 250 to 350 lbs.) Also completely equipped power plant (both steam and high tension electric), office building, garage and miscellaneous buildings. All located on about eight acres of land.

TWO railroad sidings on the property.

UNLIMITED supply of water.

BUILDINGS completely sprinkled, dual water system. Very low insurance.

THIS plant is well situated, and there is ample room for expansion. Present layout splendid for economical manufacturing of almost any kind.

FULL particulars and data will be supplied upon request.



GARDINER & WELLS
150 MADISON AVE.
NEW YORK, N. Y.

ert quite unusual ingenuity in the preparation of advertising. He became dissatisfied with the salary of an advertising writer. He wanted to become an executive. So he had himself promoted to something like sales promotion manager, and hired bright young people to do the actual work. Since advertising had begun to run into the hundreds of thousands a year for his store, he busied himself watching the agate lines.

Now it naturally followed that no matter how bright the young people who were assigned to do the actual writing, they could not be expected to do as well as the person who had the experience and training.

Then came the system age, in retail advertising. And right now we are in the midst of that age, where advertising is written according to schedule and according to rules, rather than according to temperamental inclination.

Copy Other Advertisers?

THE usual stunt is to subscribe to all the out-of-town newspapers one can afford. The flashiest advertisements are torn out and presented with suitable withering comments to the advertising writer.

Watching and studying the advertising of other stores is an important thing. But it must be done with real advertising judgment. Nothing is more destructive of good advertising than saying, "Here, copy this advertisement just as it is." The thing to do is to study the thought of the other advertiser, not to copy his technique. If Cliff Banks is a successful writer of popular songs and you want to be one, too, you don't just start wearing the same kind of neckties that he wears. You find out where he studied, and you try to get some of the same.

The more our public becomes advertising wise, the more we must strive to keep our advertising from looking like a mere lavish expenditure of money, or they will go back to the old belief that the public pays and pays, and pays—which it does, bless the public's little heart.

The modern retailer, considering himself a public servant, makes his advertising simple and neat. He makes it orderly, in order to get across the idea that his is a standard kind of a store, that expects to remain in business from now on. He talks like a living, breathing human being in his advertising, to make sure that people will not get the impression that you drop nineteen cents in the slot and out comes a Friday Bargain.

The modern retailer wants his constituency to know that he is not getting high hat just because he is elected!

Retailer as a Public Servant

THE RETAILER who considers himself a public servant is not a smart Aleck in his advertising, however. His language rings true. He tells the truth. He supports the Better Business Bureau and will, some day, I hope, change it from a mutual white-washing society.

Now we get to all the organizations that the retailer has started and joined for the sake of learning more efficient ways of serving the public. There is the National Retail Dry Goods Association. There is the retail division, known as the Associated

Retail Advertisers, of the International Advertising Association. There are the buying and method groups, such as the Retail Research Association and the American Retailers, Inc. There are the local Retail Merchants' Associations.

Hobgoblin of Government

THESE organizations had better do a good job, because retail distribution is becoming of greater and greater importance in modern social organization. And, if privately owned and controlled retailing does not do a good job, the first thing you know we are going to have a Secretary of Distribution in the cabinet of the President, and then where will you be? You'll be just a short jump from government distribution of daily necessities, just as in many countries we already have government owned railways and steamboat lines, and government owned communication facilities.

Then, instead of making hundreds of thousands a year out of operating a department store, a retailer appointed by the Government under Civil Service will do the job for a few thousands a year.

No one kind of retail business can hope to serve an entire city. There will always be the need for the small store. When the public reads of a combination of stores, it fears the worst, and believes that in a few short years, there will remain only the huge, soulless department store. There are many small retail stores started, many more than big ones. But there is no news in the fact that Tom Brown goes into the dry goods business with natural resources of unbounded enthusiasm and actual resources of four hundred dollars borrowed from friends. That happens so often, that you would get tired of reading about it. So newspapers don't bother to print anything about that in its news columns.

But when a group of large stores combine—that's something to talk about. And that's when the public reads something about stores in the news columns.

A city may require one kind of water service, one kind of drainage service, one kind of street paving. But it requires many kinds of merchandise. Many kinds, not only in variety of uses but many kinds in style. And so a city requires one water engineer, one drainage engineer, one paving engineer. But it requires a number of retailers.

Many Phases of Retailing

IT REQUIRES a retailer to serve its masses of industrial population with the necessities of life at low prices. It requires another to serve its elite with jewelry. It requires another to serve its rich men's sons with snappy roadsters.

The public likes specialization more than ever. There are many kinds of merchandise, such as roadsters, that require continuous service. It takes specialists to sell that kind of merchandise.

I know a family that had a colored maid who was a specialist. She was told to watch the potatoes that were boiling. She watched the potatoes. The peas just beside them burned.

"Honest," she pleaded, "all you tole me to watch was the potatoes."

But the retailer has got to watch his

peas—and q's, too. Going into the clothing business with the passing thought that the town ought to support another clothing store, won't do. There has to be some special reason for the existence of the new clothing store. There has to be a—what do they call it?—long-felt need in the community.

Harry Jones was an awfully nice fellow. He had all kinds of friends in town. And he did pick himself a good location, too. Everybody said he would make good. He worked early and late. But it just didn't seem to go.

Must've been the chain stores. They just seemed to give poor Harry the go-by, somehow or other. They wanted Hart, Schaffner & Marx, or they wanted \$22.50 stuff. And it wasn't long before Harry just had to sell out.

Funny thing, too. He sold to one of those New York outfits that kept his store going, and he works for them now. And there's real business being done in the place. Can't understand it; all they feature is just one brand.

The New York outfit has learned that the one public service required in the town, not rendered by any other retailer, was to be offered in that one line that they featured. Jones ran just another clothing store.

I know a city where one store was doing all the furniture business. The owner of that store was a real public servant. He had them coming.

The other stores all tried to do business the way the big store did.

Individualism Needed

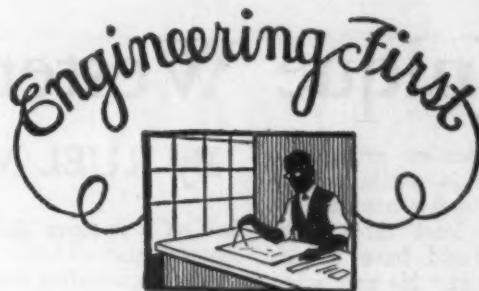
BY AND by, unobtrusively, one of the smaller stores sort of dropped out of the pack, and went off on a new scent. It didn't try to make so much noise about five dollars down and a dollar a week. Each day its advertising showed furniture that the other stores hadn't bothered with. Pretty soon, it discovered that there was a real demand for its kind of furniture, and which none of the other stores had tried to meet, in their eagerness to outdo each other in the matter of Don't-Worry-About-the-Payments.

And today there are two large furniture stores in the city, each in its own way rendering a public service.

And so public service in retailing lies not only in efficient distribution, but in the distribution of the kind of merchandise for which the community feels a need.

No mayor can get away with the policy that he knows what the city wants, but instead, he is going to give the city what he believes best for it. And so a retailer must find a demand before he can hope to become a successful public servant. That saying about starting a store on a busy street is a good one. But it had better differ in some way, from all the rest of the stores on the street, if it wants to grow bigger than the others.

One of the greatest and most unlooked for benefits of the public service idea in retailing, is that it does make great publicity. That's altogether the wrong argument to use, but it does serve to make the point that summarizes the whole idea of Retailing as a Public Service.



has saved 50 industries Millions of Dollars *by solving their drying problems*

By developing steam tube and other types of dryers to meet the individual requirements of each user, Louisville Drying Engineers have made a once troublesome and costly process both satisfactory and economical. Today, profit statements in hundreds of offices among fifty industries attest to the efficiency of L. D. E.

Operating costs reduced $\frac{1}{3}$ to $\frac{1}{2}$

Almost invariably L. D. E. recommendations result in big economies. In the fertilizer industry, for example, several manufacturers enjoy savings of one-third to one-half. Approximately 50% has been cut from the production costs of dried bone. A dryer of whitening has been saved 30%. And so the records run.

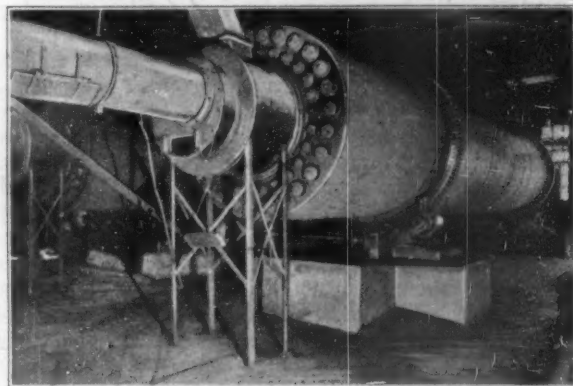
Value of product often increased

Frequently L. D. E. efficiency does more than lower production costs. A recent installation corrected the loss of valuable ingredients, thus increasing the product's market value. In another product required color could not be maintained, but due to the efforts of L. D. E. the color now is perfect.

If you dry bulk materials of any kind, L. D. E. offer you their expert services. Without obligation, they will study your problems and submit their recommendations. Mail coupon for further particulars.

A typical achievement of **L. D. E.**

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A Unique Western Buying Group

By RUEL McDANIEL

THERE is an independent grocer in a medium-size town in northern California who, until a few months ago, had wondered for at least three years whether or not he would have enough money in the bank to pay his rent when the first of the month came. These three years he had struggled with his little grocery store with the hope of making it a profitable concern, and each year had found his resources diminished.

About a year ago he applied for membership in the United Grocers, Inc., an organization of retail grocers in northern California and adjoining states, with headquarters in San Francisco. Because the membership committee believed the applicant had the determination and abilities of a successful merchant, providing he were given the proper opportunity, he was accepted as a junior member.

Advisory Service to Members

SOON afterwards he requested that the merchandising advisory committee come up to his place and help him re-arrange his store and revise his business methods. Although it so happened that a member of this board was a leading grocer in the new member's town, the service was rendered, on a non-profit basis. This committee went into the little store and studied its problems from every possible angle. A score of things were wrong, important of which was the absence of a cost-accounting plan. Harvey L. Sorensen, secretary and general manager of United Grocers, Inc., is a certified accountant and it did not take him long to show the new member where he had actually lost an average of \$50 a month during the past year. He devised a simple cost-accounting system for the member. The committee re-arranged the store throughout, making every item of stock in easy access of the customer. It increased the amount of merchandise displayed by more than 100 per cent, and reduced the warehouse stock by half, with instructions that would enable the grocer to reduce it further.

In less than four months the grocer's business showed an increase of more than 20 per cent, his \$50 a month loss had changed to a net profit of over \$200 a month, and for the first time since he had owned the store he saw real sunshine in the future.

There are many co-operative buying organizations, but none like the United Grocers of the West Coast. It differs from others in several ways. In the first place, the average co-operative buying concern is short-lived; while the United Grocers has functioned continuously since its formation in 1905. In the second place, its function is to make better merchants of its members as well as to buy for them. In the third place, it is not a body of weak, independent grocers banded together to fight the "chains," but a group of strong grocers, some of which operate chains of stores, working with a view to growing stronger. It is more than a buying club,

just as it is more than an ordinary trade association.

The organization has its beginning when, in 1905, eight ambitious though small grocers got together and ordered a carload of condensed milk, after having learned from a salesman that they could save \$50 on the order by so doing. They prorated the carload of milk among themselves, and they prorated the saving. This experience set them thinking. Why not, they asked themselves, try the plan on the purchase of other commodities? They did, with coffee as the next order. One order led to another, until it was not long before these eight grocers were pooling practically all their purchases.

Other grocers, hearing of the plan, asked to come in. A sort of club was formulated and new members were accepted. However, no grocer who was a competitor to a member could join. The membership was limited strictly to non-competitive concerns. It continued to operate along these lines until about ten years ago, when the organization was incorporated and placed upon a more substantial, strictly businesslike basis.

Competition No Bar

SINCE that time any grocer who could qualify otherwise for membership in United Grocers was eligible for membership, regardless of whether or not he was a competitor of a merchant already a member. Today, whether or not an applicant competes with a member has no bearing whatsoever upon his acceptance as a member. His ability to live up to the standards set by the organization is everything.

Today there are about 335 grocery concerns and individuals representing more than 500 retail stores belonging to the United Grocers, Inc., which make a total annual purchase of upward of \$6,000,000. In point of volume of purchases made, this is said to be the largest retail cooperative concern in the world.

Last year the organization did business on an overhead of two and one-third per cent, and this is the highest percentage of overhead required at any time since the present plan of management became effective, being high mainly for the reason that the concern moved into a new and much larger building which greatly increased the rental cost without momentarily increasing the volume of merchandise handled. Last year the concern operated on six-tenths of one per cent safety factor and still had a surplus to divide at the close of the year.

Stock turns on an average of 30 times a year, or about every 12 days.

This \$6,000,000 volume of business is done, and resources of about \$300,000 have been built up on a total capitalization of about \$12,600.

The United Grocers is strictly a non-profit organization and is governed by a board of eight directors, seven of whom

are practical retail grocers. Only Mr. Sorensen is not actually in the retail grocery business, and he spent years behind his own grocery counter prior to his connection with United Grocers, Inc. Each officer and director draws a flat salary for his services, although Mr. Sorensen is the only officer who devotes his entire time to the management of the business.

Besides Mr. Sorensen, other officers and directors of the firm are August Johnson, president; S. R. Epperson, vice-president; M. I. Schween, E. Champion, C. H. Hunt, H. F. Hoffman and J. C. Rippe.

There are two classes of memberships in the concern, junior and regular. Junior membership is a comparatively new idea and came into being as a result of agitation on the part of the very small grocer for an opportunity to become a member. Until junior memberships became available, the fees and dues were too high for a membership to be profitable to a small concern.

"As a result of this condition," explains Mr. Sorensen, "our members were more or less despised by the very small grocers. They hated us worse than the chain stores, because they felt that we were not only getting better prices when we bought, but because we set our fees so high that they could not hope to become part of us. As a matter of fact, size does not materially matter as to membership. What we want in the organization are grocers who are or want to be real merchants and are willing to cooperate with us toward making them such. We have no place here for one who does not appreciate modern merchandising ideas, regardless of his size."

To become a regular member, a grocer must first pay an initiation fee of \$25. He then must buy one share of stock in the corporation at \$50. Next, he must deposit as a guarantee that he will abide by the rules of the organization and pay his bills when due, a fee of \$250. That makes a total of \$325 he deposits at the time he is accepted as a member. He thereafter pays membership dues of \$7.00 a month.

Special Rates to Small Grocer

OBVIOUSLY, a small grocer cannot afford to tie up such a sum of money in a membership, because the investment would be greater than he could profitably earn returns upon, because of the fact that his purchases are so small. So, in order to make membership more practical for the small grocer, he was offered a part in the organization upon the payment of the regular initiation fee and the purchase of one share of stock at the regular price, and a deposit of only \$100 as a guarantee of his proper behavior. His dues are \$3.75 per month.

When a regular member is excluded or voluntarily withdraws from the organization he receives back \$300 of the \$325 he has invested; and the junior member under like circumstances gets back \$150 of his \$175.

A junior member has the same power in

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Eastman Kodak dividend checks
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than the fastest previous method*

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Recently this bank had, as a routine business duty, 28,000 dividend checks to prepare for its client, the Eastman Kodak Company. It was a necessary precaution that they be provided with the utmost protection and that as a matter of business economy the time in preparing them be kept to a minimum.

A minimum of 100 hours by previous methods had been found necessary for this operation. But by using the Todd Super-Speed Protectograph this bank was able to reduce the time required for writing the amount lines to *thirty* hours—less than a third of the shortest previous record.

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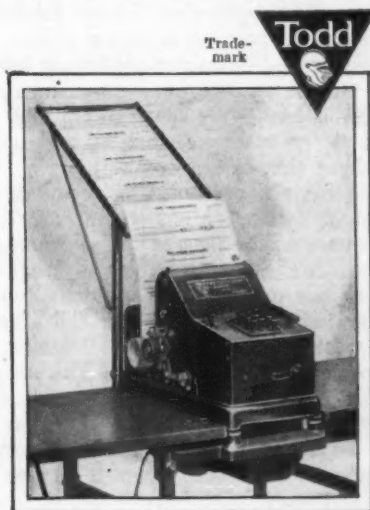
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governing the firm as a regular member; but obviously regular membership has its advantages over the other. Two things cover these. In the first place, a junior member cannot buy on credit more than \$200 worth of merchandise. When his bill runs to that maximum, he must pay it or pay cash for the remainder of his purchases, regardless of what time of month it may be or how short a time it has been since he has settled in full. This rule is rigidly enforced. Neither can a junior member purchase more than \$500 worth of merchandise a month. Running over this figure automatically makes him a regular member and he is expected to pay dues and fees accordingly.

On the other hand, although the company reserves the right to limit a regular member to a credit of \$500, unless he shows an inclination to be unreliable in the payment of his bills, his credit is unlimited. His credit reliability was established before he was admitted to membership. His monthly purchases are unlimited.

For Large and Small Alike

ONE OF the reasons why this cooperative buying and merchandising organization has succeeded is that it has been made just as attractive for the larger grocery firm as the small. In fact, weakness mitigates against a grocer applying for membership.

"One of our objects is the making of merchants out of ordinary corner grocers," declares Mr. Sorensen, "but we demand some material with which to work. One big trouble with the retail grocery business is that there are too many men in the business who don't belong in it. Instead of being a credit to the industry, they are a drawback. What the grocery field needs is more men who are in it because they feel they belong in it, and fewer men in the business who are in because they have nothing else they can do temporarily.

"A man can be conscientious and a credit to the industry without being the owner of a large business. When we find a small grocer like that, we want to take him in with us and help him to become a bigger grocer. Although we do insist that a store do a minimum of twelve thousand dollars' worth of business a year before we will consider his application for membership, his desire to become a better grocer, his reputation and character are bigger factors than volume in determining our course in voting on him. We like grocers who are material for successes, just as well as we like those already successful.

"We have never solicited members for the organization. Membership is entirely by request on the part of the applicant."

There are many examples of what the help of the organization has done toward making better merchants of retail grocers. Take, for instance, Powell Brothers, of Mountain View, California. The owners of this firm became members and soon afterwards requested the United Grocers to send its store planners and advisors to Mountain View to help them rearrange the store and stock.

The store is a long, narrow one, difficult to make attractive from a merchandising standpoint. The planners found in the

front of the store numerous counters and inadequate display space, in which about \$3,000 worth of stock was carried. In the warehouse in the back section of the building was between \$10,000 and \$12,000 worth of stock, none of which could be seen by customers.

The planners moved out all the counters and built attractive shelves right down to the floor. They made extra display tables for the center of the store. They moved the stock from the warehouse to the front, until there was about \$10,000 worth of merchandise not only on display but in contact with customers. At the end of 90 days the warehouse stock was reduced to practically nothing, turnover was more than doubled, volume had increased more than 10 per cent, and overhead had been cut by \$250 a month through the elimination of two clerks who were no longer needed after the stock was out where customers could help themselves.

"We continually preach to our members the value of merchandise contact," says Mr. Sorensen. "We are getting them to do away with counters entirely. They have no place in the modern grocery store. The cash-and-carry chain stores have proved beyond a doubt the value of merchandise contact with customer. The easier it is for customers to see and handle merchandise, the better it sells."

A San Francisco grocer had a more marked experience with the organization's service than did Powell Brothers. This merchant realized that his business was sick and called in the committee to help him cure it. They discovered, to the merchant's surprise, that he had been losing an average of \$100 a month for the past year on a total volume of \$38,000. They moved out his old counters, decorated his store, installed a modern cost-accounting system, reduced his warehouse stock to a shadow of its former self, and he started over again.

The first year under the revised plan of operation the grocer jumped his volume to \$78,000 and his profits from \$1,200 in red ink to \$6,400 to the good.

Has Chain-Store Members

CONTRARY to the policy of the average cooperative buying organization, the United Grocers does not have as its chief object the defeating of chain stores. To the contrary, several chain stores are members of the company. One concern, whose head is one of the most active members, operates 16 stores; another has 14. The classes of business operated by the various members varies greatly, one chain doing business on a price, cash-and-carry basis on an overhead of 8 per cent, while one high-class service grocery spends 20 per cent on overhead.

The experience of these West Coast independent grocers proves that there still is and likely always will be a place for the individual and small chain grocer in his community if he will make the place for himself. The organization has proved that the retail grocery field is just as rich in profit possibilities as any average retail field, when modern merchandising ideas are applied to transform corner grocers into modern merchants.

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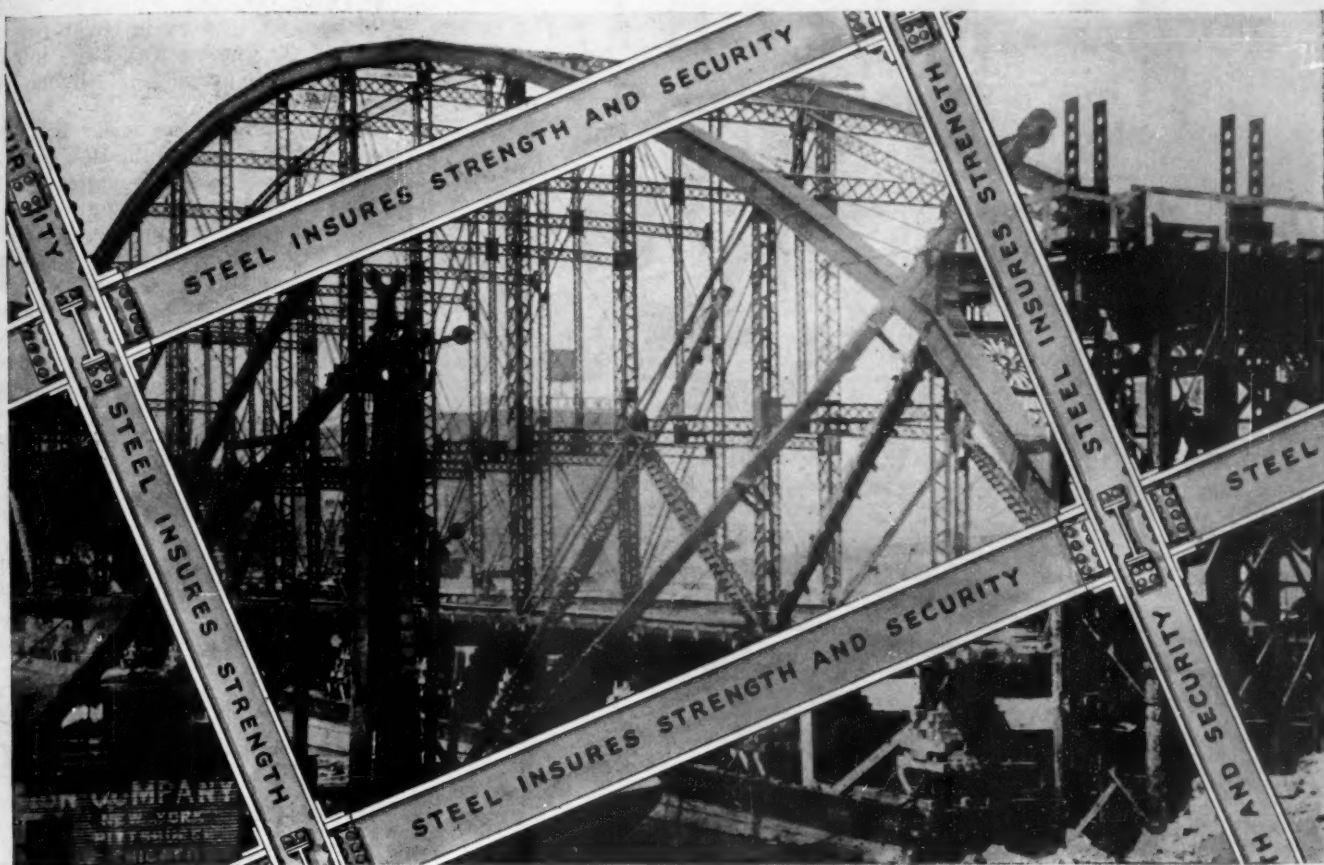


Photo courtesy "Construction Methods"

Removal of the south span of the Sixth Street Bridge, Pittsburgh, Pa. After many years' service the bridge was in such good condition that it could be removed safely for re-erection. The span has been lowered and placed on pontoons ready for floating down-stream. The removal of this 440-foot truss span intact is an amazing tribute to the flexibility of structural steel.

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A VERY efficient committee has now been set to work in Great Britain to translate the Income Tax Laws into clear and intelligible language. No one envies them their job.

A strong protest was made, both in the House of Commons and the House of Lords, against the bureaucratic jargon in which the Income Tax Laws are written.

"We are being governed in an alien language," said the Marquess of Hartington. "Our laws are drafted by men who stand aloof from our commercial and industrial life, and who seem to regard the object of existence of the rest of the population as being simply to produce money on demand."

"These people," he said, "deliberately keep the law in obscurity, knowing that as a result of the mystification of taxpayers they are enabled to rake in a great deal more money than they are actually entitled to realize."

The fact is that the Income Tax Laws are at present absolutely incomprehensible.



There are a score of professional experts in London who offer their services to the befuddled taxpayers.

The courts are full of litigation, arising out of disputes between taxpayers and the government. Even the lawyers and judges are puzzled by the rambling and self-contradictory jargon that has become the official language of the British tax collectors.

It would seem as though the bureaucrats who framed the Income Tax Laws had done their best to construct phrases that are even more mystifying than that famous sentence in "Alice in Wonderland"—"things often turn out to be different from what they would have been if they had not been otherwise than as you expected they were going to be."

So, a committee of presumably clear-headed men is now to produce a translation, in ordinary language, of these Income Tax Laws, so that taxpayers will know how much they have to pay without appealing to the courts.

Helpless Bureaucracy

IF A PRIZE were to be offered in Great Britain for bankrupts, it would unquestionably be won by the telegraph department.

This is a branch of the post office. Last year, it lost \$6,500,000.

Roughly speaking, it has lost \$5,000,000 a year ever since 1870. It has been in a chronic state of bankruptcy for 57 years.

An attempt is now being made to put this shambling and decrepit department upon its feet.

Three capitalists have been called in to act as an efficiency committee. Their job

is to show the telegraph bureaucrats how to make a profit.

The names of these three capitalists are Sir Hardman Lever, Lord Ashfield and Sir Harry McGowan.

All three have had business experience in the United States. Sir Hardman Lever was for years an actuary in New York.



Lord Ashfield was the general manager of the New Jersey street car system; and Sir Harry McGowan has been frequently in America as the head of the Nobel Industries.

This "Resurrection Committee" will now set to work to bring the dead Telegraph Bureaucracy of Great Britain to life.

The general opinion is that they will fail. They will fail, not for lack of ability and experience, but because the new twig of capitalism cannot be grafted on the dead stump of Bureaucracy.

The question that naturally arises is, if private capitalists must be called in to inject life into a defunct government department, why not give them a fair chance?

Why not take the telegraph from the post office and put it in the hands of a private company? This would soon improve the service and abolish the deficit.

Less Drink, More Smoke

LAST year the British people drank 25 per cent less whisky and smoked 6,000,000 pounds more tobacco.

The high price of whisky is steadily compelling sobriety in Great Britain. The pipe is taking the place of the glass.

More than 90 per cent of the tobacco smoked in Britain comes from the United States.

Britain has been making desperate efforts to grow her own tobacco, inside her



own Empire. She has increased the production of British tobacco by 10,000,000 pounds since 1913. But this is not enough to keep up with the growing demand for tobacco.

British grown tobacco, in fact, is barely 8 per cent of the quantity used in the British Isles.

The tax on foreign tobacco still stands at \$2 a pound. It is enough to pay the bill for public education in Great Britain.

More than 75 per cent of all tobacco is smoked in the form of low-priced cigarettes. Only 5 per cent of it is manufactured into cigars.

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When writing please mention Nation's Business

European Trade Brightening

BY DR. JULIUS KLEIN

Director, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce

EUROPEAN business on the whole has for some time been showing convincing evidence of recovery. Not the least important improvement has been the gradual disappearance of the mental hazard—the shaking off of a “calamity complex” and the gradual strengthening of business morale. An encouraging spirit of determination is spreading in commercial and industrial circles, which previously had been laboring under a cloud of despair.

There is a growing conviction that the problem is one of trade dislocation rather than downright destruction. Furthermore, it is fully realized that the pursuit of the phantom of “prewar normalcy” is not only inexpedient but futile, that a new economic world has come into being since 1918 and the task involves not “restoration” of antiquated conditions but adjustment to a new and vastly improved business environment.

Trade Troubles Analyzed

ONE SIGNIFICANT indication of this “mental Renaissance” was the vigor with which a number of topics hitherto forbidden for non-domestic discussion—trade policies, embargoes, import and export quotas, etc.—were fully and frankly analyzed in the two large international business conferences this summer at Geneva and Stockholm. While it is too early as yet to observe many definite results from these gatherings there can be no doubt of their helpful reactions upon several continental trade agreements and tariff schedules now in process of formation, especially as regards simplification of customs procedures and classifications, and the duration periods of international commercial understandings.

Out of one group of 180 European trade treaties drawn up since 1920, no less than 153 were only valid for one year or less; international business has thus been reduced almost to a nomad existence, living in tents, subject to eviction on a few weeks' or even a few hours' notice. This situation has led to a determination to substitute at least frame dwellings, so to speak, for the tents; the tendency of late has been toward longer termed agreements so that business might have assurance of something more than one-night stands.

Tangible data on the new commercial era in the Old World are abundant. For example, transportation facilities have notably improved during the past twelve months. There has been a widespread expansion of air traffic, not simply on the Continent, but in definite plans for service from European capitals to the trade centers of Africa, the Far East, and even for combination air, rail and ship facilities to South America. Rail traffic has been notably expedited and several new “luxury trains” have been recently put on. Even shipping has revived of late, especially because of the further replacement of steam by motor power. German tonnage, for example, now stands at about 3½ million tons, largely of the latest motorized type,

and although this is some thirty per cent below its prewar total, it is probably almost equal to the 1913 figure in terms of actual carrying power.

Particularly encouraging has been the completion of currency and budgetary stabilization in practically all countries. Another financial indicator of importance has been the steady advance of savings. Their total in Germany, for instance, on July 1, 1927, exceeded 3,718,000,000 marks, as compared with 2,154,000,000 in June, 1926—a formidable increase of nearly eighty per cent.

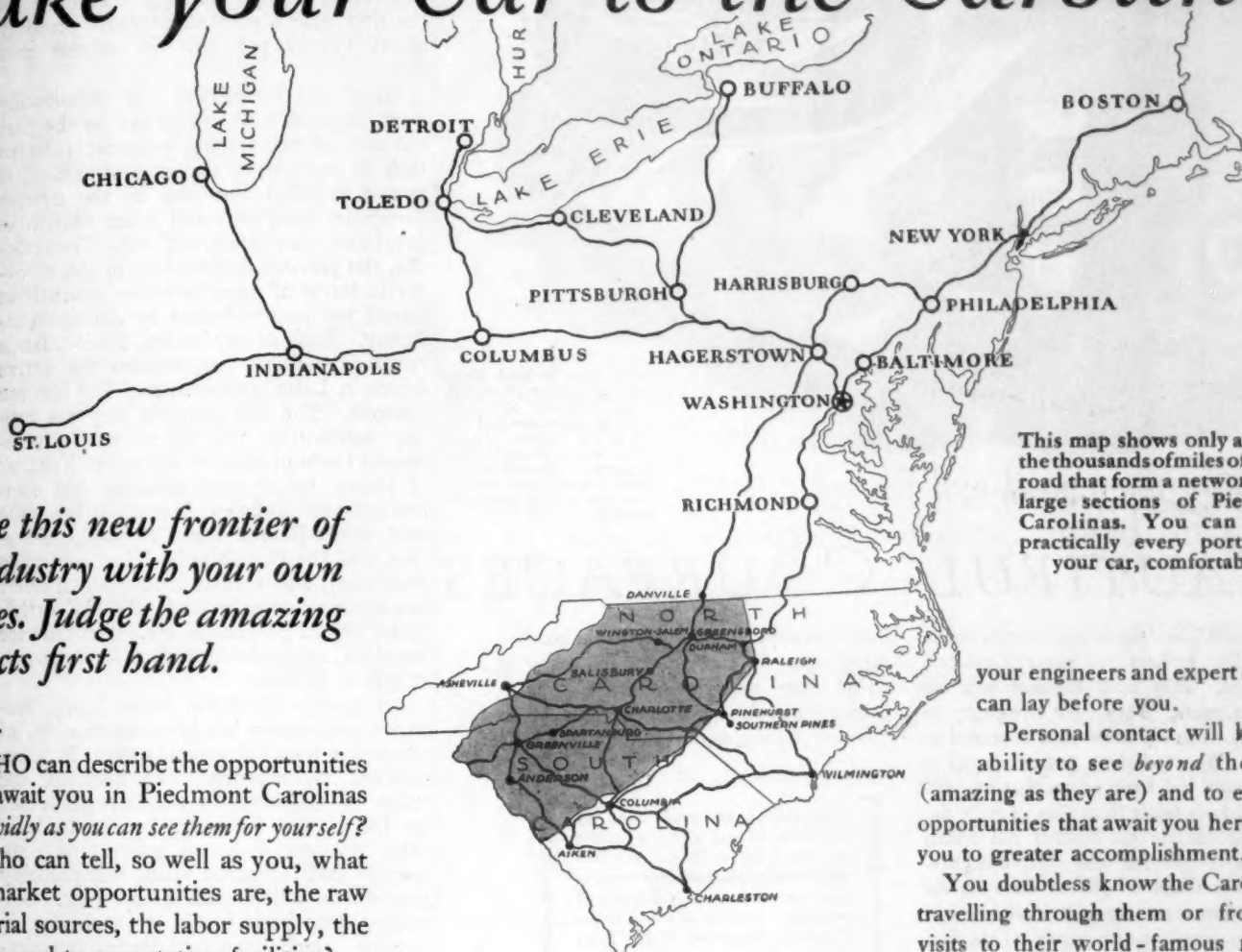
An economic phenomenon is evident which has appeared after every war in modern times, namely the intensive exploitation of the resources of colonies, dominions, and other economically “new” lands as a solution for unemployment, and in general to redress the havoc of warfare in the mother countries. The reactions of this movement upon American trade have already set in: first, in the stimulation of buying power in the new lands, many of which require just the type of mining machinery, farm equipment, road building apparatus, etc., which was used in opening up our own country. Secondly, however, there is evident a perfectly natural endeavor to conserve the benefits of this new development primarily for the parties immediately involved, especially through preferential tariffs, to which we can take no exception unless there be evidence of discrimination. This has a bearing not only on our exports of manufactures to the new lands but also on our sales of those staples which play so large a part in our exports to Europe, notably cotton, cereals, petroleum, lumber, etc., for the production of which several of the mandated territories, dominions, and colonies are well fitted.

Unemployed Decreased

THE INDUSTRIAL situation in the Old World has still many unfavorable spots in some districts or industries, but on the whole the recovery in recent months has been decidedly gratifying. Unemployment figures have been dwindling steadily; in the United Kingdom the decline during the past twelve months has been from about 1,600,000 down to 1,000,000, of whom about 400,000 are only casually unemployed. Of course this substantial reduction was partly due to the settlement of the coal strike but coupled with this is the striking fact that there are today over 1,150,000 more workers actually employed in the Kingdom than there were in 1912.

In Germany recovery has been even more spectacular, the number of unemployed having fallen from 1,700,000 in June, 1926, to 541,000 in June, 1927. The decline in France during recent months has been at the rate of 2,000 a week. Strikes have decreased in almost every important industry and manufacturing center: throughout central Europe the number of industrial disturbances has fallen off nearly sixty per

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The man who heads a successful business is usually the one man in that organization most capable of managing its affairs. In such an undertaking as re-location of your plant, you are best able to weigh the facts and to draw conclusions.

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For the future of your business is tied up in these unusual conditions. It lies in your hands whether you will enlist these advantages on your side or whether you will sooner or later be forced to compete against them.

This map shows only a few of the thousands of miles of paved road that form a network over large sections of Piedmont Carolinas. You can reach practically every portion in your car, comfortably.

your engineers and expert statisticians can lay before you.

Personal contact will kindle your ability to see *beyond* the statistics (amazing as they are) and to envision the opportunities that await you here and invite you to greater accomplishment.

You doubtless know the Carolinas from travelling through them or from holiday visits to their world-famous resorts, for golf or recreation. You may be familiar with conditions as they were 20 or 25 years ago. Such impressions ought to be supplemented by a first-hand *working* knowledge of *today's* business and industrial facts about the section.

So that your time may be conserved and devoted to those sections that are of most interest to you, our Industrial Department is prepared to supply detailed road routes, with mileage tables and hotel recommendations that will make your trip interesting and profitable.

Make This Memo for Your Secretary.

A note, giving the approximate date of your coming and a word or two as to the things you want to see, will be enough. *Make a memo for your secretary on the margin of this page and have her write at once to Industrial Department, Room 107, Mercantile Building, Charlotte, N. C.*

Competition That Is Inevitable.

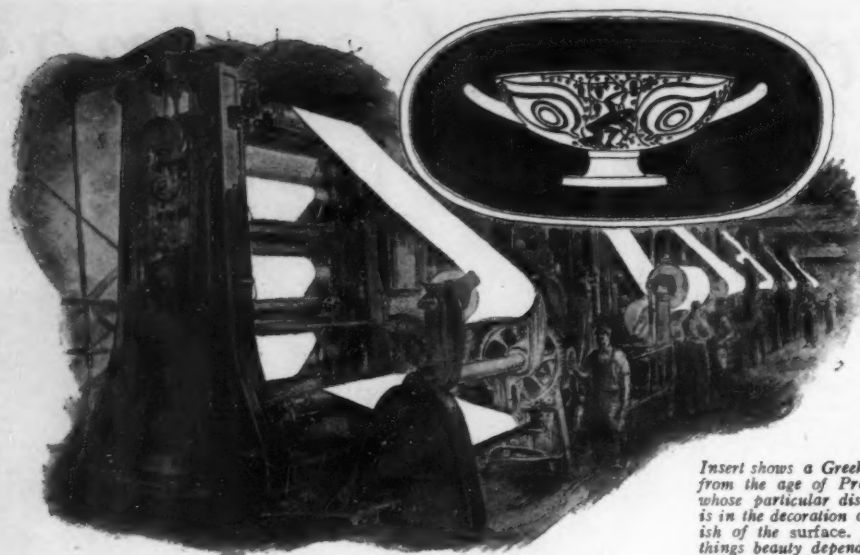
Are you able to meet competitors who can produce equal quality at costs that average from 14 to 26% less than yours? Are you willing to let them "get the jump"—or do you prefer to be first to offer your trade the savings that you can obtain here; the first to win big markets by virtue of a powerful monopoly of advantage for your goods?

Engineering reports and lengthy analytical studies of locations are valuable and should be obtained, but business leadership is built on vision and imagination and those qualities are not something to be caught second-hand.

Seeing this Piedmont Carolinas country, travelling over it intimately in your car, getting into close personal contact with men of your own type who already are established here—all these will enable you to grasp the meaning of the cold facts that

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HERBERT N. CASSON—

widely-known British economist and writer on business subjects has joined the contributing staff of NATION'S BUSINESS. Mr. Casson's first article appears in the November number. It tells the inside story of Great Britain's government house-building venture, an experiment in business socialism, which cost the English taxpayer two and a half billion dollars.

Wanted An Advertising Man

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cent below 1925 figures. Industrial production generally has risen steadily. Steel exports of Europe for 1927 will show for the first time a substantial gain—probably about twenty per cent—in volume over 1913.

All of this betterment will undoubtedly mean improved buying power on the part not only of our leading customer (Europe took 48 per cent of our exports in the last twelve months) but also in the oversea European dominions and other sources of her foods, raw materials, etc. Nevertheless, the possible implications in this recovery in terms of more intensive competition should not be overlooked by American industry. Each of our leading trans-Atlantic rivals is making preparations for active drives in Latin American and Far Eastern markets. For this purpose they are rapidly marshalling the aid of new governmental trade promotive offices (such as that of Italy), better transportation and communications facilities (among others, the new Berlin-Buenos Aires radio-phone service, and the British radio beam control to Australia), and various governmental credit insurance schemes, export subsidies, cartels under official patronage, etc. The time for watchful, aggressive initiative for American export is at hand.

An equally significant factor in this economic renaissance has been the recovery of numerous so-called invisible items in international transactions. For instance, the value of middlemen's services performed by the United Kingdom for the trade of other nations, including interest on commercial and industrial loans, will probably exceed two billion dollars this year. Secondly, American tourist expenditures in Europe, which have contributed conspicuously to the rehabilitation of several countries, will this year exceed one-half billion dollars; in fact, in some countries—France, for example—the amount thus expended by our tourists for service is more than that paid by America for merchandise imports from those countries.

Tourist Trade Lucrative

THE RATES of profit on the retail transactions and services that go to make up this substantial item of tourist traffic are far higher than those made on exports of merchandise on a wholesale basis. Thirdly, the control by European capital of lucrative raw material, enterprises overseas, is still evident, especially in rubber, tin, nitrates, gold, petroleum, vegetable oils, etc. British capital still owns a billion dollars' worth of railroads in Argentina, a good portion of whose traffic is in the wool, hides, quebracho and other merchandise which makes up the \$83,000,000 of annual imports of the United States from Argentina. Belgian exploitation of Congo copper promises to be of major importance in that trade. Dutch operations in rubber are assuming major proportions.

The import trade of the United States in many of these commodities is providing a large portion of the support for such overseas European properties. If we select ten countries in the Far East and Latin America in which there are notable European investments, it is found that the exports of those countries to the United

States have increased 362 per cent since 1913, whereas their exports to other countries have increased by 87 per cent. Every carload of wool shipped from the ranches of Australia and Argentina en route to the United States contributes its share to thousands of British railway stock owners.

It must not be inferred, of course, that there is no room for further improvement in the European economic situation. Business leaders throughout the Old World complain that trade barriers are still retarding commercial development all over the Continent. They point out, for example, that over eight thousand miles of new frontiers were set up in Europe by the Treaty of Versailles, and several of these, as well as the older ones, have been decorated with strands of barbed wire in the shape of cumbersome customs procedure, multiplicity of tariff classifications, and in general an all too widely prevalent excessive economic nationalism.

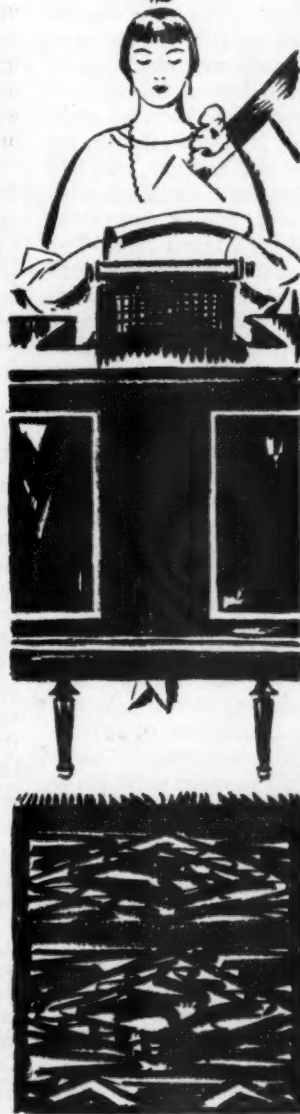
It is gratifying to note in European business circles practically complete absence of any bitterness or hostility toward the United States. There is, in fact, on the contrary, a steadily increasing appreciation of the need for mutual trans-Atlantic goodwill for the facilitation of capital advances and the steady increase of merchandise movements.

No-Skin Sausage

ANNOUNCEMENT of commercial production of cellulose or viscose sausage casings to replace the natural casings found objectionable by so many sausage lovers was published last year. A man who had the opportunity of going in on this research but who declined to do so, thinking it to be a wild goose chase, is now much disgruntled because his then partner has been successful in the enterprise, and has even written a letter to Mellon Institute where the research was done, complaining that their work interferes with other people's business.

The latest step in this development is the "no-skin" sausage which can now be found on the Washington market. It was observed that in some cases the viscose casings did not adhere to the sausage meat, and one butcher pointed out the advantage of producing a casingless sausage. It was found that under controlled conditions after twelve hours the casing could easily be stripped from the sausage, which, strange to say, retains its shape even in link form throughout rough handling and cooking. This is believed to be due to an invisible coating of a colloidal substance derived from the viscose casing.

Where these "no-skin" sausages have appeared the demand for them has steadily increased, and the viscose casing plant in Chicago is in consequence turning out nearly 20,000 feet of casings per day and plans further expansion. An interesting sidelight is the fact that one of the great sausage manufacturers of New York City executed a five-year contract with a foreign outfit for natural casings just three days before the appearance of this article last year, and try as they may the contract seems tight enough to hold them, although they would give nearly anything to be rid of it and go exclusively to the new type of sausage.



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Life of a Pioneer Merchant—VI

BY HERBERT ADAMS GIBBONS

These chapters, from the life of John Wanamaker, are reprinted from Herbert Adams Gibbons' "John Wanamaker," by arrangement with Harper and Brothers, Publishers.—THE EDITOR.

AN OLD friend told Wanamaker in his youth: "Don't lose your grip. Noah was nearly 600 years old before he learned how to build the ark." Never did Wanamaker lose his grip, but when he saw other men unnerved he passed on to them this advice. In his store editorials he expressed in homely fashion his conviction that if the motive of a man's life was serving others, self-confidence and self-reliance would never be lacking. He said, too, that if the sense of individual responsibility was strong enough, every man had it in him to weather any crisis. But the self-made man had to remember that "unless the Lord build the house, they labor in vain that build it."

Wanamaker's Last Storm

WHEN Wanamaker was establishing his business in New York and was in the midst of his fight against machine politics in Pennsylvania, he was passing from the fifties into the sixties. A decade later, in the heyday of success, he was called upon to ride the greatest storm of his life. It broke at a singularly unfortunate moment. Illness had suddenly deprived him of the services of his son, Thomas, who had been his right hand for years, and of Robert C. Ogden, the associate of a quarter of a century, who had been representing him in New York with consummate skill and energy since the Stewart business had been taken over. The financial panic that almost ruined the work of a lifetime came just after the new building in New York was opened and when he was pushing to completion the new building in Philadelphia. And he had greatly extended his obligations to buy stocks worthy of the new business home in New York.

In the early part of 1907 veteran traveling salesmen said that they had never had such a bonanza; everybody bought liberally. Surface conditions indicated that the good times would continue indefinitely. The report of the United States Treasury for 1906 revealed the largest amount of gold ever held, up to that time, by any government or institution in the world. But shortly after the beginning of the year the effect of the heavy liquidation of investments by fire-insurance companies to meet the claims of the San Francisco earthquake began to be felt. There had been unwise copper speculation. The Landis decision against the Standard Oil Company, the Hughes investigation of life-insurance scandals, and traction legislation in New York (it caused local street-railway stocks to shrink to one-fifth of their market value in a few weeks) strained the resources of the banks, which found themselves unable to supply the normal credit needs of the average business man.

The panic of the autumn of 1907 was the

most disastrous that the United States had experienced since 1873. There were many victims; but the man who everyone thought was bound to go under, because of the host of seemingly unsecured obligations standing against him, did not succumb. Day after day the failure of John Wanamaker was rumored. Some of those who were closest to him thought that he could not possibly survive; and Job's comforters hovered in the offing. Thirty years had passed since the 1877 crisis in Wanamaker's fortunes. Was it possible to believe that he could prove as indomitable a pilot at seventy as he had been at forty?

Preserved Correspondence

WE ARE able to tell the story largely in Wanamaker's own words. He preserved the correspondence of these days in a special file, and put among his personal papers the daily sales reports of the two stores. He got relief from the tension by recording the happenings of each day. The lacunae have been supplied by men who were close to him and upon whose memory the incidents of the greatest struggle of Wanamaker's life were indelibly impressed.

In Wanamaker's business there were storm signs many months ahead. He had boldly determined to finance the new buildings in both cities out of earnings and on his personal credit, and the commitments were greater than he had figured. He began to see that adverse business conditions were going to affect the rosy prospects for the year. As early as February 25, 1907, he wrote:

Very slowly indeed the wheels go round; at least it seems to me when I am so impatient to go on. The nervousness in business is worse now than ever. A change has come. Much work has stopped, and people are not earning or making money. Everybody is halting, or, if moving, going at half speed.

Clouds Grew Darker

DESPITE the inability to meet payments in time to take advantage of discounts and the slow settlement of August and September charge accounts, Wanamaker remained optimistic. For him there were always "rifts in the clouds" and he always saw "daylight ahead." But in Philadelphia on October 21 he recorded that "the failure of the great N. Y. new and popular Trust Co." had "brought a heavy storm of nervousness and fear, which will be a world-wide wet blanket." And on October 23, while seated at lunch in the restaurant on the ninth floor of the new building in New York, he put down:

Our business in both stores is going ahead of last year's sales, but I do not see how we can expect people to buy as much under existing conditions. Looking out of these high windows, there is a haze over the city and the distant hills beyond the river, but it is not nearly so bad as the haze over the financial affairs of the city. As I drove up here, I saw a long line of depositors on the sidewalk making their way to the doors of the Trust Company of America, still continuing the run. Three or four other banks did not open



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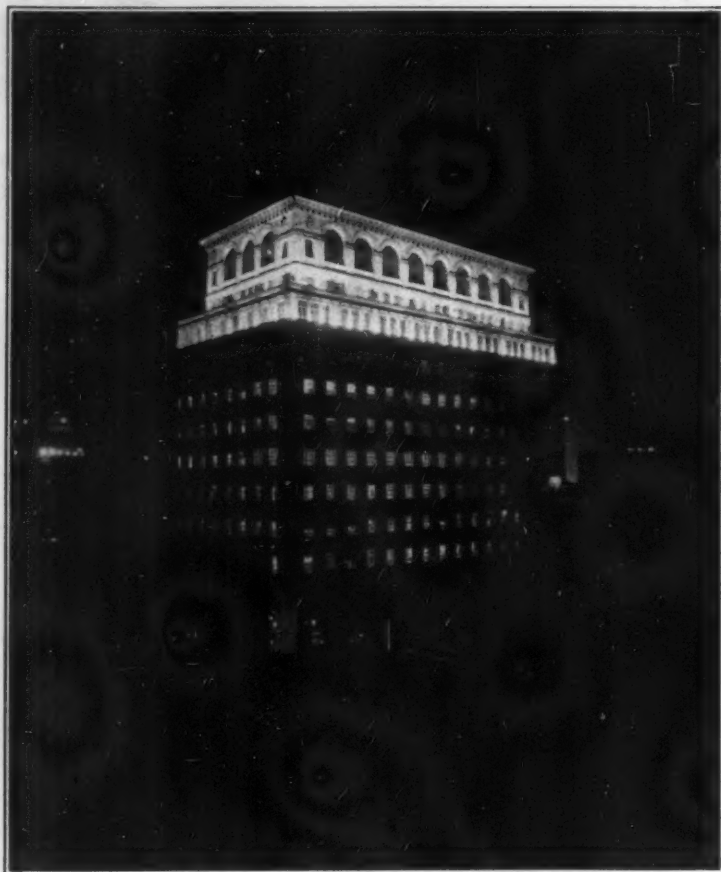
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their doors this morning. There is a scare everywhere.

On the evening of October 26 Wanamaker attended a dinner to Postmaster General Meyer in Philadelphia, and made a great speech on postal matters. Most of the men present had heard that he was about to crash, and many of them believed it. But the diary entries prove that he was not acting a rôle. He was not unduly worried, except for the health of his son Thomas, and he did not for one instant entertain the thought of failure. This is shown by what he wrote on October 28:

It certainly does take more nerve force to live in these times that may never come in the life of those who live in the next one hundred years. But, "as thy days so shall thy strength be," and I go on in strong faith, always coming nearer to the full daylight if it be only step by step.

Critical Situation

ON October 29, however, the situation had grown much more critical. Wanamaker realized that he was believed to be insolvent in New York. Directly and indirectly pressure was put upon him. He was fairminded in recognizing that many who sought payment from him did it because they were as hard pressed as he was, and not because they had lost faith in him.

But there were others who said frankly that they wanted their money before the crash came. On the other hand, friends rose up around him. He never forgot the messages of these friends. A representative of the *New York Herald* came with a cable from Paris. James Gordon Bennett had directed him to tell John Wanamaker that "he did not believe the rumors and wanted the *Herald* to do anything we liked."

Bankers remembered that Wanamaker had never asked for a discount in twenty years: "They are going the limit to help me," he wrote. A large personal loan was offered by one banker, concerning which Wanamaker commented: "I know he cannot afford to do this."

On November 1 Wanamaker published in the store advertisement, over his signature:

Our October sales in Philadelphia, ending last night, showed a handsome increase over the October of 1906. In New York we had an increase in sales this October that doubled the increase in Philadelphia. A caller said to the writer yesterday, "Be sure your ads will find you out." We are satisfied to be judged by our advertisements and by our merchandise.

On November 6 he wrote:

As yet none can tell what is going to happen, with banks and trust companies still in peril after two weeks' runs. Today the great Arnold Print Works of North Adams, Mass., failed, and this old concern of all rich people was pushed to the wall in New England just because they could not borrow even on good securities. I feel so sorry for them and wish I could help them. I am blessed in being able to plow ahead toward the safe land in sight in this very rough weather.

During the next fortnight the panic was at its height. The apprehension reigning in New York and New England spread to Philadelphia. In both stores sales fell off.

Wanamaker owed more than he knew at the time to men whose faith in him per-

sisted throughout the crisis. The board of the United States Steel Corporation, for example, carried over his large account to 1908. Other creditors rejected the suggestions made to them to take action that would result in a receivership. Wanamaker's paper was widely and energetically protected by those who, for various reasons, did not want to see him go under. These factors in his glorious and successful fight, however, do not detract from the vital importance of the man's own rôle. All that Wanamaker had been and had done in the past would not have saved him. The fact that his assets were far greater than liabilities would not have saved him. Financial panics strike at the highest, and none is too solidly rooted to depend upon past performance as protection against the storm. Wanamaker rode the storm because he was on the bridge of the ship. What he was in the autumn of 1907, and not what he had been before, brought him safely through. Had he lost his grip for a single hour, had he wavered or hesitated, he would have gone down.

On December 4 he wrote:

Always Saw Light Ahead

I AM COUNTING off the days one by one as we travel to the land of deliverance. In a fortnight more we shall be almost through the thickets. I believe January will see me quite out into the open again and with blue skies—to stay, practically, so far as my human knowledge and power can forecast. I am so thankful for this Cape of Good Hope close at hand.

When asked to express in one sentence the *sine qua non* of success, Wanamaker answered, "Being one's own most merciless critic." His diaries show that he did not spare himself—or others—when he was going through the deep waters of the autumn and winter of the great panic.

It was when the Wanamaker business had hardly emerged from the crisis, and his own people were still apprehensive and disheartened, that he sent a ringing telegram to the Looking Forward Club of his New York store:

May I say in dead earnest, and in love for my country, that I believe in the future prosperity of the business in New York, where so many setbacks have been given to it during the past year, speaking from my outlook in the pilot's little cabin. The only thing to do is to turn squarely about the steering wheel of all such as desire to avoid the shoals that have wrecked others, and keep to the narrow but deep and safe channel of the clear waters, where we have always found good sailing.

Wanamaker was in his seventy-first year when the Christmas season of 1908 failed to bring the return to normal conditions that he had so ardently hoped for and heralded. But he expressed in deeds his faith in the future. Again the master of ample funds, he placed large orders for the New York store, which helped out many a manufacturer and wholesaler; and he went ahead with the remainder of the Philadelphia building. The long-delayed reward came in 1909, when business "picked up," and began a new curve upward that lasted as long as he lived. Never again were there rumors of his failure.

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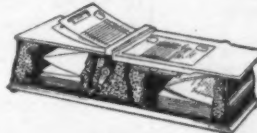
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Farm Machinery and Profits

By F. B. NICHOLS

Managing Editor, *Copper Farm Papers*

DURING the period since the World War ended, in a time when its economic woes have held the spotlight of public attention, agriculture has made a much larger use of improved machinery and more efficient production methods.

Farmers have been out of luck to the extent of losing from 16 to 20 billion dollars of capital investment, largely by a decline in land values. The particular figure depends on which statistician you accept as the authority on the premises. While all this has been going on, however, and the political leaders of Iowa, faced by a stupendous debacle in the value of the farms in that state, have been threatening dire things to the Grand Old Party, the price of land in such a representative wheat-growing section as Southwestern Kansas has shown an advance of 25 per cent or more in value.

Farming an "Involved Matter"

ALL of which may appear somewhat confusing to a city man who wishes farmers well and who believes that the old line of Fourth of July blah-blah about agriculture being "the backbone of the nation" is true—as it is. He is inclined to wonder how both the folks in the wheat belt who are paying increasing prices for farms and the calamity howlers who are predicting a peasant agriculture for America get that way. More than this, these diverse changes give some weight to the belief of those confused gentlemen in Congress who in their discussion of the problems of agriculture have taken refuge in the statement that they make up an "involved matter." That, at least, is true! All over the nation the industry has been responding to the movements of powerful economic forces, merciless in their application, which have worked much hardship. But in some sections, and especially in parts of the wheat belt, new equipment and better farm management have increased profits and brought an economic system far more satisfactory than the old-time methods.

Kansas, for example, used 8,274 combines last year, and with these machines 25,000 men harvested 50,540,000 bushels of wheat from 3,100,000 acres in 15 days, or an average of 375 acres to the machine. The popularity of this implement is well indicated by its increasing numbers: 14 were operated in Kansas in 1918; there was a small but steady increase until 1922, when the state had 2,796 combines; 1923, 3,116; 1924, 3,828; 1925, 5,441; 1926, 8,274; and 1927, probably more than 12,000. In the meantime the use of the machine has spread quite generally into other states, especially Nebraska and Oklahoma; several hundred were operated last year in Illinois, and some in Pennsylvania. It is primarily responsible for the increase in land values in the wheat belt, in the sections where this has occurred.

Naturally the use of this machine—plus other modern equipment, such as tractors, power tillage and seeding tools, improved

threshing machinery for handling bound or headed grain and motor trucks for hauling—makes a colorful contrast to the systems employed in the growing of the nation's bread crop in days of old. Kansas grew 150,000,000 bushels of wheat last year. According to H. B. Walker, formerly professor of Agricultural Engineering in the Kansas State Agricultural College and now with the United States Department of Agriculture, "if it had been necessary to harvest the wheat crop of 1926 in Kansas by the methods of 100 years ago, when the cradle and hand binding were in vogue, it would have required 775,000 harvest hands 20 days to cut, bind and shock the crop. If Kansas had been called on to do this titanic task by these ancient methods, it would have required all the male population in the state between the ages of 15 and 60 years, and then in addition it would have been necessary to utilize all the women between the ages of 20 and 37 years to complete the full harvest crew.

"A century ago one man could cradle two acres of wheat in a day, and it took two men to bind and shock what he had cut; or, in other words, it required three men to cut, bind and shock two acres of wheat in a day. With the most modern farm machine; that is, a 20-foot combine harvester pulled by a modern farm tractor and with a farm motor truck for hauling the grain, an equal number of men in a Western Kansas wheat field can cut, thresh and deliver to market, a distance of two miles, 45 acres of wheat a day. This is fifteen times the acres cut, bound and shocked by the three men of a century ago. Moreover, the work of the present-day harvest hand is less arduous and much more interesting."

Concentration of Farms

THE average wheat producer in Southwestern Kansas where the increase in land values has been greatest, as in Ford and Pratt counties, has \$5,000 or more invested in wheat-growing machinery. Including the value of the land, he is the operating head of a business which requires from \$30,000 to \$40,000 or more of capital. Naturally it takes ability of a high order in management to make an investment of this kind pay. As a result the whole tendency in agriculture in that section has been toward a growth of the capitalistic system, in which the direction of the farms is being concentrated in strong hands, exactly paralleling the experience in most lines of manufacturing. It logically follows that there has been some increase in the proportion of tenants and hired men.

A similar change has occurred on the plains of Texas, where the efficient use of the cotton picker and the tractor in the production of the South's leading crop has thrown a monkey wrench of considerable size into the "One negro, one gallus, one mule and one plow" type of cotton growing common in Georgia and Alabama. It

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appears likely that the center of production will presently shift to west of the Mississippi River, and that much of the acreage in the older sections must be used for other crops—just what nobody seems to know. Anyhow, the change has gone far enough so it has been demonstrated that the cost of growing cotton on the open lands of Texas is far less than the average farther east. And there has been a marked upturn in the value of farm lands there, produced by this system of wholesale production, as in Southwestern Kansas.

An upward trend in the agricultural outlook also has taken place in parts of the East, especially in the truck-growing regions along the Atlantic seaboard. This movement has, of course, been aided by the tremendous markets so near at hand; the high prosperity of the cities in the last few years has made it possible for the people to purchase ample supplies of food of good quality. Perhaps the motor truck has contributed as much as anything else to the revival in Eastern farming. It has been markedly helpful in that vast movement of fruits and vegetables into the markets of New York and Boston from the farms of Maryland, Eastern Pennsylvania, Delaware and New Jersey. All that is required if one wishes to observe this traffic is to drive out on any of the main traveled roads leading into New York from the south or west and he will find it.

Freight Costs Help East

ONE of the greatest complaints from the producers in the Middle West is high freight rates; it is a subject that gets considerable attention at about every farmers' meeting in that section. But when it comes up in a meeting of Eastern farmers it "leaves 'em cold," for high freight rates serve as a sort of an embargo against the competition of the food producer in the Mississippi Valley. The natural effect of that, plus the growth in the efficiency of the motor truck, has been to give the agriculture of the East a real boost.

But this increasing dependence on greater power has been developing in all farming sections. For example, the census of 1925 recorded 506,737 tractors on the farms of the United States, as of January 1 in that year. It appears probable that the number is at least 200,000 greater now. Kansas, considering just one state, had 31,171 tractors January 1, 1925, but the farmers there have been operating about 50,000 tractors this season. With the rise in power farming has come a steady reduction in the number of horses, especially in those of the most effective ages, and a vast decline in their values.

Much progress also has been made in the use of larger cultivating machinery. This has been especially true in the corn belt. Two-row tools are used generally and recently some very successful experimental work has been done with four-row implements. With the growth in the efficiency of these tools has come the rise of the "all-purpose" type of tractor, well adapted to pulling cultivating machinery over soft soil. Apparently the value of the horse as a motive power will continue to decline, although he is not going to "pass

out" very soon, as some of the enthusiastic tractor brethren seem to believe.

In the dairy world the rise of the motor truck and the milk tank car on the railroads has thrown a scare into the highly developed dairy regions near the large cities. Land in such sections has depreciated in value, but at the same time it has been increasing in price farther away, as the transportation has become more efficient. Some of the outstanding work in the long-range transportation of sweet cream has been done by the Land o' Lakes Creameries of Minnesota and Wisconsin, one of the most successful cooperative farmers' organizations in the world, in its shipments to Eastern and Southern points, and especially to Florida. It is quite evident that when a group of farmers can ship cream from St. Paul to Miami they have a national market.

Perhaps one of the most successful power developments, so far as its potential value goes, is the rise of the rural electric lines. These are in the "infant" stage as yet, but the work has been carried far enough, in both an experimental and practical way, to demonstrate that it is practicable from the commercial standpoint to electrify most of the farms of the United States. This likely will be done in the next few years—after the utility companies have raised hundreds of millions of dollars of additional capital. It is one of the very promising fields for expansion in the plant equipment of the country.

Naturally, one of the results of the use of larger power units has been to increase the production from the farms and also from each individual worker. This has made the problem of the much-discussed surplus still more complicated, and it also has increased the political troubles of Congress. There is every reason to believe that the trend toward a larger production will be continued. Certainly the tendency in that direction has been marked in the last fifty years.

Rural Population Decreasing

BUT while this has been going on there has been a steady decline in the number of people in the open country, and this is aiding greatly in holding down farm production. The Census of 1925 found a total rural population of 28,981,693, of which 24,474,812 were whites. Since then there has been a net loss in the farm population of 649,000 persons last year and 441,000 in 1925. The movement has continued this season. It is, therefore, believed that only about 23½ million whites remain on the farms of the United States. And it is safe to forecast that the number will be still fewer five years from now.

The movement away from the farms has continued for more than a century. Steadily agriculture has gained in production and the proportion of farmers has declined. Those who have left the farms have been absorbed into the industrial life of the country mostly, to make the motor cars and bath tubs and radios and other equipment required to raise the standards of living for us all. And now, with the great increase in the use of power equipment, this movement toward the city will likely take place at a still more rapid rate.

Making Business Calls in Japan

BY MELLEN CHAMBERLAIN

DID YOU ever have the sensation of wandering about a city of two million population, all of whom apparently speak a tongue so very foreign to your own that it is absolutely impossible to understand a word they say? Osaka, Japan, is the large industrial city of that country and is Japanese from start to finish. Of course, there are foreigners there, and also many Japanese who speak English, but to the stranger they are rather difficult to find.

On a recent business trip to Japan our ship spent a day in Kobe, a regular tourist port, where it is a very simple matter to get about, since there are so many foreigners who are constantly coming and going.

Several tourists started out bravely and had no difficulty until they reached the station in Osaka; here they descended into a bedlam of Japanese yelled at them by cab drivers, rick-shaw men and hotel touts. Holding a council of war, they decided to hire a cab and go to the Y. M. C. A. A driver was found who seemed to know what they wanted, and they embarked in high spirits, figuring they would soon have an interpreter who could tell their driver where to go to see all the sights.

After quite a considerable drive they arrived at their destination, but found that it was a building just under construction, with no one there who spoke any English. Then followed a lengthy confab with their driver, with each of them trying in turn to make him understand where they wanted to go. The driver did his best and took them many places, none of them correct, and at last the party returned, to the good-natured kidding of the rest of the ship's company.

When the Tables Are Turned

I ENJOYED a hearty laugh when they related their troubles, but a few weeks later, when it was necessary for me to see some business houses in Osaka, it didn't seem nearly so funny.

Having in mind the troubles experienced by the others, I had the desk clerk at my hotel in Kobe write out my addresses in Japanese, and when I arrived in Osaka I took one of the little flivver taxis, which, by the way, are usually upholstered in velour with fancy curtains and very clean.

We started out fine and found my first address after inquiring at two police boxes. These police boxes are located about every twenty blocks and are only large enough for a small policeman and a small telephone. Most taxis have an extra man on the box, and I thought at first that this was just for looks, but I found that he was the official "hopper down"; that is, when the driver got lost this man would hop out at a police box and inquire the way.

Having arrived at my destination, I attempted to make a lot of under-clerks understand that I wanted to talk to their "big boss," who, I knew from correspondence, spoke English. It seems an easy thing looking at it from this side of the Pa-

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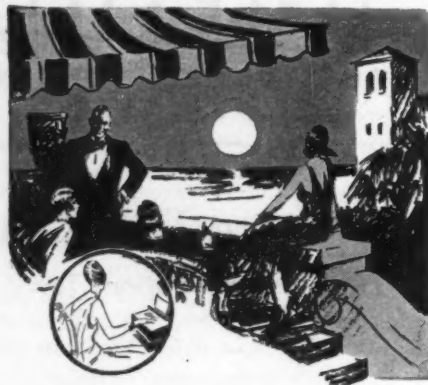
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cific, but I spent ten exasperated minutes talking first to one and then another. Finally, one a little brighter than the rest took me in hand and led me about a half a mile through little alleys to another office, where I found the man I was seeking.

A Walking Taxi Ride

ENCOURAGED by this experience, I gave my driver a second written address, rode a short distance, and finally, at the entrance of a street too narrow for the taxi, he stopped, opened the door and said, "%&\$/%\$/?&," or words to that effect. Believing it was perhaps a half a block to where we were going, I got out and followed him. Apparently he didn't have any idea just where we were bound, for we walked and walked and walked, and at every block he'd ask directions of someone. Being of a very courteous race, they felt it their duty to guide us.

As a consequence, we finally had quite a party of men, women, children and dogs, the latter being very enthusiastic over the trip.

At last when we reached a police box, on a street that looked wide enough for a Ford, and my driver was making further inquiry, I made motions to him of cranking his car and driving it, and put down my brief-case to show I was going to wait until he got the chariot. He tumbled to my Indian talk and went off to get the car, while I stood first on one foot, then on the other.

All the neighbors who had not followed us gathered round, figuring, I suppose, that I was a desperate character whom the police had just captured, inasmuch as I was there in the police box.

Finally the driver arrived, and at last I saw some materials in an industrial plant that showed we were on the right track. Here I found another well-educated Japanese gentleman, who laughed at my difficulties and explained the intricacies of real Japanese cities such as Osaka. It seems that the cities are divided up into sections or, as we would call them, wards. Each of these wards has numbers beginning with one and going around and around like the body of a snail, and addresses are merely a number in a ward.

To add to the confusion, the little alley-like streets run at all angles. To cap the climax, Osaka had just been having growing pains, and many wards were split up into smaller ones, thus making many of my addresses obsolete.

After his explanation I did not feel so sore at my driver, as I could see he was a victim of circumstance and was sentenced to a life of misery, trying to find numbers for the rest of his existence.

Real Finger Talk

ANOTHER time I ran into a small firm where no one spoke English, but the boss had a set of English-Japanese dictionaries, so we sat on mats by a charcoal brazier, sipping tea and looking up words to show the other fellow, until a friend who spoke English arrived. The Japanese are very hospitable and always treat a caller as a guest.

Many of the bigger houses have tables and chairs in their offices and always serve

a cup of boiling tea at once, which it is courtesy to drink with a hissing sip, that being the only way it could be taken, as it is red hot. After making several calls in one day, and consuming several cups of tea at each sitting, I used to feel somewhat groggy.

At one small business house on which I made a call, the proprietor could not speak English, but had a friend at some distance who could. He called him up on the telephone and then indicated to me to tell his friend what I had in mind, and let him translate for us.

This would have worked out excellently, had said friend been a good enough linguist, but as it was, his flow of English seemed to consist of "herro, herro, herro." Every time I would start to tell him something he'd begin helloing. This seems to be a characteristic of the people, for, when talking to one another over the phone, half of the conversation seems to be: "machi, machi"—hello, hello—a few phrases of conversation, "machi, machi" some few words more, then "sodeska" ("Is that so?"), this also a couple of times, then "sayonara" (good-bye).

It may occur to some to wonder why I didn't provide myself with an interpreter. I early discovered that among the higher class Japanese an interpreter was resented.

After one of these days—I nearly said "daze"—I would return to my hotel, take a steaming shower, and give thanks that it couldn't last forever.

Had Your Arsenic?

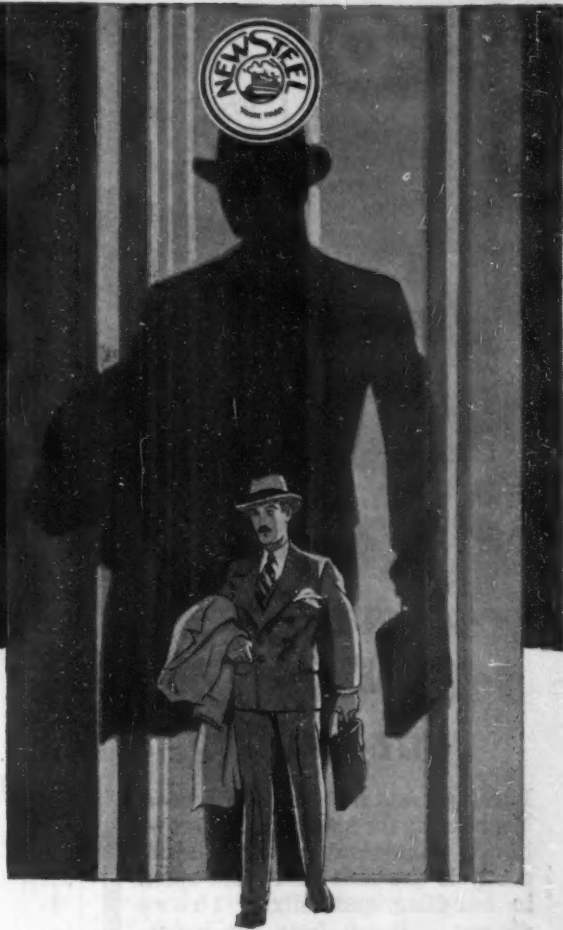
YOU ARE familiar with the advertising slogan "Have you had your iron today?" but you may not have been asked,



"Have you had your arsenic today?" Recent investigations show that many food-stuffs contain appreciable amounts of arsenic, speaking, of course, from the analytical chemist's point of view. Peas have .04 part per million, carrots and apples .05, mushrooms .06, and so on up through the scale to lettuce with .23 part per million. Beef muscle has but .006 part per million, but lobsters have been found with 30.0 to 40.0 parts per million. An investigator, who is unable to account for high arsenic found, turned attention to tobacco and there found among the samples of American smoking and plug tobacco arsenic to the extent of from 6 to 30 parts per million. Approximately half of that in pipe tobacco goes off with the smoke, and about half of that in plug tobacco is soluble in water. Amounts of arsenic reported are in excess of the maximum permitted by state and federal authorities in food and the amounts normally present in plants and animals.

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Recent Federal Trade Cases

RESALE price maintenance in its many phases will be made the subject of a broad investigation by the Federal Trade Commission for the benefit of trade and industry and with a view to establishing a guide for Congress in future legislation on price fixing, distribution and kindred topics.

Acting entirely on its own initiative the Commission will seek to learn the facts about the advantages and disadvantages of resale price maintenance to manufacturers, wholesalers, and retailers; costs, margins and profits of manufacturers and distributors and the prices to consumers; causes and motives for price cutting by distributors, and the relation of retail price maintenance to the multiplication of distributors.

The Commission feels that the survey will be of great benefit to business and to Congress in the writing of future laws on the subject of resale price. Several bills providing for resale price maintenance have been introduced in Congress since 1920.

THE Commission on its own initiative has ordered its economic division to make investigation and report on price bases. Three definite modes of quoting and charging prices with reference to locality of the purchaser will be studied. The three such systems mentioned by the Commission are: (1) The delivered-price method. Numerous companies who distribute their products in various states of the union are quoting prices in which no allowance is made for difference in transportation costs in widely separated markets. This is called the delivered price method. (2) The factory-base method. Other distributors employ the policy of quoting uniform prices at the factory, with freight charges added according to the locality of the consumer. This is termed the factory-base method. (3) The basing-point method. Still others follow the practice of adding to the market price at a certain basing point the freight charges from that point to the locality of the consumer. This is the basing-point method.

The Commission expects through this inquiry into competitive conditions to develop new and constructive measures for obtaining greater efficiency in marketing. The report also will form a basis for determining what are the fair practices in this regard. The Commission's resolution, among other things, requires report on "(2) the causes for the adoption of the several methods employed and the purposes intended to be served by them, (3) their actual and potential effects upon prices and competitive conditions. . ."

The Commission has had two formal complaints before it involving practices described as (1) and (3). Practice (1) involved six eastern manufacturers of range boilers. The complaint, which is still pending, alleged that the manufacturers concurrently use a uniform lump sum sales price for all parts of the country, regardless of the distance of the purchaser from their factories. The results are,

the Commission asserts, that the price over large areas is unduly high, that the price in states on the Pacific coast is below the laid-down cost, and that there is consequently destructive competition against local manufacturers in those states. Practice (3) was involved in the well-known "Pittsburgh Plus" case against certain steel manufacturers (Docket 760), order in which was entered in July of 1924. By its order in this case the practice of steel manufacturers of quoting prices on rolled steel products at a Pittsburgh base price plus freight rate from Pittsburgh when the products are manufactured at and shipped from other points was found by the Commission to be an unfair method of competition.

PROCEEDINGS before the Federal Trade Commission, or related to its activities for the month, are reported here. The most significant items are:

Resale price maintenance to be studied by Commission.

The three methods of basing prices being investigated.

"Blue sky" and "wildcat" schemes to be studied thoroughly with view to regulation.

Woven furniture trade practice conference rules published.

SO-CALLED "blue sky" securities and other "wildcat" schemes for bleeding the people of their money will be viewed through the investigating microscope of the Commission and will be made the subject of careful research and study in its economics laboratory according to a resolution recently adopted by the Commission.

The resolution provides that efforts

be made to determine the extent to which "get rich quick" frauds are practiced on the gullible portion of the buying public and to suggest remedies for the relief of the "blue sky" menace through possible state and federal legislation. The resolution reads in part as follows:

Resolved, That the Chief Economist of this Commission is hereby directed to inquire into, (1) the practice of selling blue sky securities, (2) the legislative, administrative and other methods employed to abate the evil and the results thereof and (3) other matters covered by the previous inquiry, in order to bring the same up to date, and to report thereon to the Commission without formulating conclusions of legislative policy but, instead, stating succinctly the arguments both for state and federal legislation and the forms which such regulation should take.

Following closely upon this resolution the Commission issued eight cease and desist orders to promoters of oil propositions in Texas. All of the eight were charged with various misrepresentations in their dealings with the public.

The Commission's report shows that misleading statements as to methods of financing, false claims of ownership of large producing wells in the heart of proven fields, and of paying big dividends to purchasers of stock were generally made by these companies in their advertising literature. Some projects were in the form of syndicates consisting of a number of companies whose directorates interlocked. Dockets 785, 857, 865, 871, 925, 930, 932, 963.

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"MAN O' WAR" is one of the most important trains in the great fleet of 60 named Pennsylvania freights that have set remarkable records for regularity

and dependability of on time arrival. Month after month these "Limiteds of the Freight Service" have held to their schedules rigidly.

IN THESE luxurious days we like a little comfort with our travel. Ocean liners are like magnificent floating hotels. Passenger trains offer the traveler anything from a sumptuous dinner to a shave and haircut.

This being the case even live stock can quite properly expect to ride in de luxe fashion.

That is the Pennsylvania's reason for running "Man O' War"—a limited train for live stock. This big freight, named and scheduled like any passenger limited, brings in its cargo of cattle and hogs on time—just as the passenger flyer discharges its human burden promptly.

And though the best of service is rendered to patrons—there's no extra fare.

"Man O' War" swings out of the Chicago yards every evening to begin its run to Eastern Markets. All its four-footed passengers are comfortably settled in large well-equipped stock cars of the most modern type—the kind that afford plenty of fresh air and sunlight for the trip.

Just so nobody will be kept waiting in the vestibule of the diner, "Man O' War" doesn't carry a diner. Everybody eats together the following

evening at the Pittsburgh Union Stock Yards where the cuisine is unsurpassed.

And to ward off fatigue there's a five hour rest period here, after which the stock hops aboard again and "Man O' War" pulls out on the final lap of its journey to Eastern Markets.

Shippers:

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover—in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

Such trains as "Man O' War" and other named Pennsylvania carriers are materially aiding the Industrial Traffic Managers in their constructive tasks of building business for their organizations.

Shower baths for "High Hat" hogs

When the weather's sultry and "Man O' War" has hogs aboard, the great American institution of the shower bath comes into play. At watering stations along the route the cars containing hogs are drenched frequently. Could even the most particular hog ask more?

Live stock coming off the Chicago Market as well as shipments from other Western Stock Yards routing through the Chicago Gateway are carried by this dependable Pennsylvania freight train. And "Man O' War's" consistent on schedule arrivals at Eastern Terminals have won for it a big reputation with the live stock trade.

Carries more passengers, hauls more freight than any other railroad in America

PENNSYLVANIA RAILROAD



Standardize with Non-Skid Hi-Types

In this truck tire you will find a balanced combination of the three essential trucking qualities—Cushion, Traction and Mileage—making it the most practical tire for all general trucking operations. The non-skid tread is effective on or off the pavement. The high profile design has cushioning qualities which protect fragile loads and hold upkeep costs to a minimum. Non-Skid Hi-Types are built in all sizes from 4" to 14", for single and dual equipment, enabling operators to adopt them for entire fleets. Ask your Firestone Service Dealer to tell you about the wide use of these tires and the benefits of standardized equipment.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*

"Doing Export Business" A new guide book for the exporter

For the manufacturer or merchant looking overseas for new markets, a comprehensive 64-page booklet, "Doing Export Business," has been prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This publication is being distributed at cost, 15 cents a copy.

You will find much of value to you in each of the five chapters of "Doing Export Business":—I. "Surveying the Export Field;" II. "Establishing the Export Department;" III. "Promoting Foreign Sales;" IV. "Filling Export Orders;" V. "Miscellaneous Considerations." It contains also explanation of a number of foreign trade terms, a brief bibliography and an index.

FOREIGN COMMERCE DEPARTMENT

U. S. Chamber of Commerce

Washington, D. C.

When buying FIRESTONE TIRES please mention Nation's Business

the materials of which these articles are made, according to a recent ruling of the Commission in connection with a trade practice conference with the woven furniture industry.

Alleged misuse of such terms as "wicker," "fiber," "reed," and "willow" in the advertising and sales literature of the woven furniture trade was investigated with the result that the Commission is issuing a list of rules and interpretations under which baby carriages and woven furniture shall be offered for sale.

Furniture and baby carriages in which the woven surfaces are of one material shall be designated by the name of the material used, such as "reed," "fiber," "rattan," "sea grass," "cane," etc., according to the rules approved by the Commission. These same articles in which the woven surfaces are of more than one material shall be designated by the name of the principal materials used, such as "reed and fiber," etc.

More than 80 per cent of the manufacturers of woven furniture were represented at the two conferences, it was estimated. The manufacturers asked that retail dealers participate in the conference and the request was complied with. The resolutions have been submitted to retail dealers throughout the country.

ORDERS in Dockets 1323, 1324 and 1325 prohibit the use of the words "Philippine mahogany" or "mahogany" to advertise certain Philippine hardwoods. All the respondents are importers of Philippine hardwoods. Such terms may not be employed in describing or offering for sale any wood not derived from the trees of the mahogany or meliaceae family, according to the Commission's orders, which cite the companies as having designated "red lauan," "tangle" and numerous other woods as "Philippine mahogany" when they are not of the mahogany family. All the cases are subject to stipulations, entered into by the Commission, the 3 respondents and the Philippine Government as intervenor, to the effect that following the issuance of the Commission's orders, if the respondents do not comply with the orders within the stated time, there shall be designated one of the cases to be considered a test case and be taken before the United States Circuit Court of Appeals for a court decision. One of the commissioners dissents from the order, on the belief that commercially Philippine mahogany is not inferior in quality to American-grown mahogany, that commercially as distinguished from botanically it has been known as mahogany for many years, and that with the prefix "Philippine," the public is neither deceived nor defrauded. In July a year ago the Commission entered three other similar orders (Dockets 1332, 1316, and 1281). From one of these (Docket No. 1332) appeal was taken to the United States Circuit Court of Appeals for the 9th Circuit, where the case is still pending.

The Commission states that a trade practice conference will be scheduled soon, now that the Commission's orders have been issued in all the Philippine mahogany cases. This conference, it is understood, will seek to execute a broad inquiry into the entire nomenclature of woods used in furniture, excluding those woods associated with "Philippine mahogany" in the current six cases. Scientific investigation of various woods and their names already has been assigned by the Commission to four experts on wood technology connected with the forestry departments of as many universities.

THE ORDER in Docket 1100 directs a snuff company having factories at Memphis, Tenn., and Clarksville, Tenn., to discontinue the use of unfair price maintenance

methods; misrepresentation of competitors and their products; and misbranding.

In marketing its snuff the company maintained its specified resale prices by securing the cooperation of salesmen, jobbers and retailers. The company maintained a "Don't Ship List" in which the names of price-cutters were entered. To be removed from this list it was necessary for the jobber or retailer to enter a price-maintenance agreement, the Commission found. Identifying marks were used on containers to aid in tracing price-cutters. Jobbers were notified as to retailers not to be sold, and had to give assurances that the same rate of discount from list prices applied to competitors' snuff as applied to the company's product.

The Commission also found that the respondent instructed its salesmen under penalty of dismissal to try to get jobbers and retailers to break their contracts with the company's chief competitor. The salesmen also falsely stated that the competitor was a little company that would soon be out of business; that its product was made from cigar stumps and old chews and contained hair, glass and dirt, and that its packages were short weight.

One of the respondent's brands was falsely represented as a cure for pyorrhea and other diseases of the teeth and gums, and that competitor's snuffs were represented as destroying teeth, causing pyorrhea and other maladies.

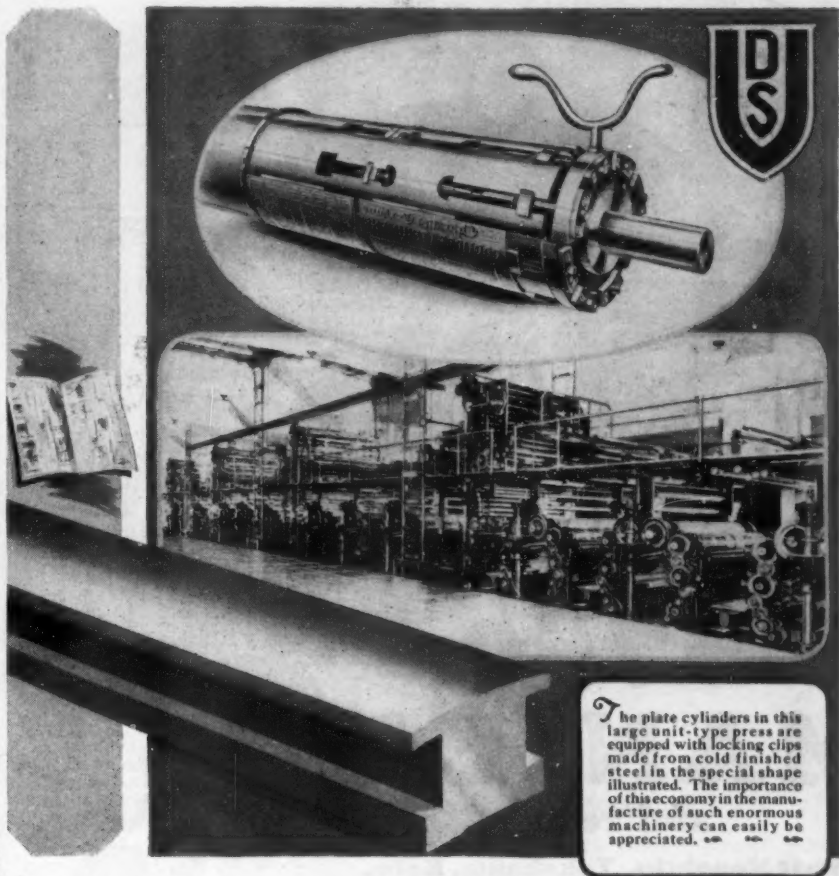
FALSE and misleading advertising is alleged in four out of five announcements of stipulation proceedings just issued by the Federal Trade Commission. The fifth stipulation is in connection with a large company that sought to control the prices at which its products were sold to the retail trade. This practice was declared unfair and the company agreed in its stipulation to cease and desist without the necessity of first going to trial.

Two of the stipulations concerned manufacturers of iron or iron compound products who described their wares in their advertising, letter-heads and sales literature with such phrases as "cast steel"; "High Grade Special Steel"; "Better Quality of Steel"; "New process converted steel," and "Semi-steel." The facts were that none of these products contained steel but were made of malleable iron, cast iron or a combination of the two. These firms agreed to cease and desist without further proceedings.

Another firm advertised itself to be a manufacturer of knitted goods when in truth it was not a manufacturer but a jobber. A watch-making company described one of its products as having gold-filled cases but the truth was, these cases contained less than three one-thousandths of an inch in thickness of gold on the outside of such cases, the proportions which are recognized by the trade as the specified standard thickness for the manufacture of watch cases to be sold as "gold filled."

"TAMPA" cigars are not Tampa cigars unless they are manufactured in or near the city of Tampa, Florida, declared the Commission in issuing a cease and desist order to two individuals of Red Lion, Pennsylvania. Likewise the Commission ordered that unless cigars are composed wholly of tobacco grown in the Island of Cuba they shall not be labeled "Havana." Similarly cigars unless imported into the United States should not be sold as imported. (Docket 1326.)

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket number. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—The Editor.



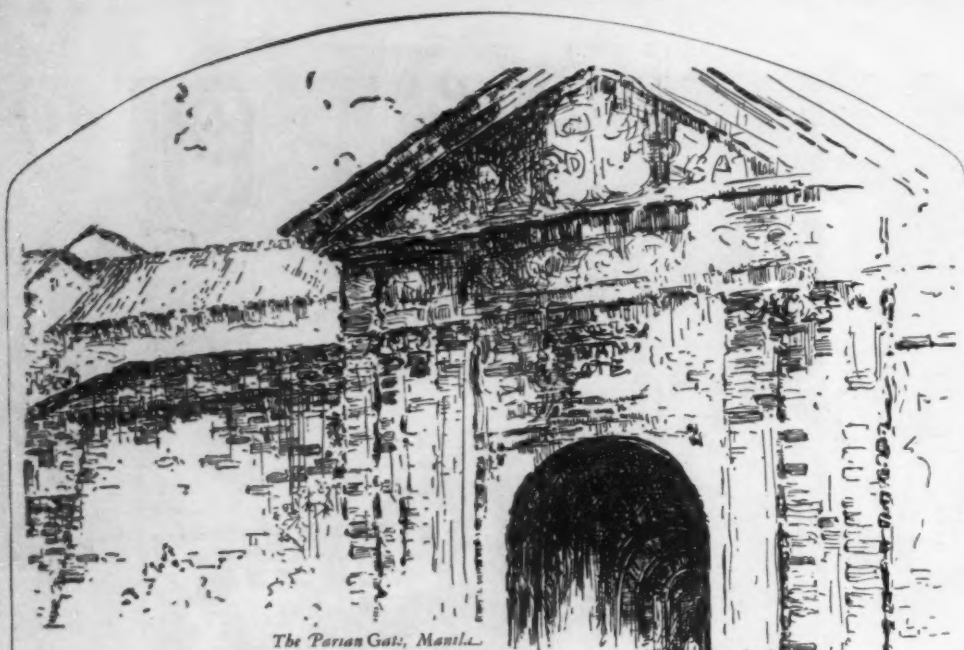
The plate cylinders in this large unit-type press are equipped with locking clips made from cold finished steel in the special shape illustrated. The importance of this economy in the manufacture of such enormous machinery can easily be appreciated.

Union Drawn Steels in special shapes are used by many of the nation's largest producers of mechanical equipment.

UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

UNION DRAWN STEELS





The Parian Gate, Manila.

\$750 MANILA and return

**Visit Honolulu, Yokohama, Kobe,
Shanghai and Hong Kong en route**

Take advantage of this attractive roundtrip fare and realize your dream of travel to the Orient. Included are meals and first class accommodations on a palatial President Liner.

The ports of call are gateways to the ancient countries of the Far East—each fascinating in itself.

You see Hawaii, beautiful beyond compare. Then Japan, island kingdom of unusual charm. Here old ideals are giving way to modern progressiveness.

China with its quaint river life, great cities and unique architecture holds much to lure the visitor.

Finally Manila, at the crossroads of the Pacific, gay and international. Visit near-by Baguio, delightful mountain resort.

Go in luxurious comfort on a great President Liner. Hospitable public rooms, private staterooms that are spacious and equipped with beds, not berths. Personal service and a cuisine which justifies the highest praise of world travelers. Liberal stopovers at any port.

A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient (via Honolulu) and Round the World. Fortnightly sailings from Boston and New York via Havana, Panama and California. A sailing every two weeks from Seattle to Japan, China and Manila via the American Mail Line. A sailing every two weeks from Naples, Genoa and Marseilles for Boston and New York.

For complete information communicate with any ticket or tourist agent or

American Mail Line Dollar Steamship Line

32 Broadway
1018 Bessemer Building
101 Bourse Building
514 West Sixth St.
Robert Dollar Building

New York
Pittsburgh, Pa.
Philadelphia, Pa.
Los Angeles, Calif.
San Francisco, Calif.

604 Fifth Ave. and 25 Broadway
177 State Street
Dime Bank Building
110 South Dearborn St.
1519 Railroad Avenue South

New York
Boston, Mass.
Detroit
Chicago, Ill.
Seattle, Wash.

When writing to the above Steamship Lines please mention Nation's Business

Treasures From Trade Papers

By ETHEL CLELAND

*Librarian, Business Branch, Indianapolis
Public Library*

A MAN enters the section of a library devoted to the problems of business for the first time. Perhaps it is his first visit. Some friend has told him about this special business department. He admits that his wife and children have library cards but he has never had.

One of the first things this man is likely to ask for is his own trade paper, i.e., the journal devoted especially to the occupation in which he is engaged. To find that this journal is on the library magazine racks immediately establishes his confidence in the institution.

Trade papers constitute, undoubtedly, the liveliest element in a special collection of modern business literature. They are watched for eagerly, read from cover to cover and the back numbers taken home to be reread at leisure. In their pages, their readers find the most authoritative, up-to-date information on their chosen field of work. Here are detailed studies of markets, data as to sources and supplies and prices of raw materials, production plans, advertising campaigns, sales promotion schemes, statistics from those two reliable sources, the United States Government and the trade associations. They relate the stories of individual firms and business houses, present the biographies of the big men of each type of business, and give detailed histories of products and processes. Their advertisements seem almost as popular as the text. They are usually full of interesting timely illustrations. They deserve all the popularity they achieve.

Value of Trade Journals

LIBRARIANS are as enthusiastic about trade papers as their readers are. Special trade papers have helped many a librarian out of a tight pinch when confronted with a specific business question which the usual reference resources fail to solve. Trade papers have answered inquiries such as these, selected at random from the thousands to be found in one business librarian's reports:

What are "washed" oriental rugs?

I want an accounting system for a furniture dealer.

Give me something about this season's new textiles, so that I can know something about what I am selling.

I have a quantity of bulk lime to sell and I want something about all the uses of lime so I can get up a sales talk.

Can you furnish me with some arguments to persuade school authorities that duplicating machines would be useful in school work?

What is the Bedaux system of paying bonuses?

How can I speed up my soda fountain business in winter?

I want some new ideas for a sales convention.

We want a spot light for a second-story show window. Can you give me something on electric signs that will help?

What about this five-day week?

Have you anything new on dealer helps?

How do you start plotting, selling and advertising a real estate subdivision?

I have to make a talk on sales promotion. Can you give me something up to the minute on the subject?

I can't find much in these insurance books on liability insurance—haven't you a file on it?

Everything I can get hold of on selling electric refrigerators.

I have a new job with a dry cleaning establishment. Have you something on salesmanship applied to that business?

Is there such a thing as frost insurance?

I have taken over a gift shop and would like something to help me run it.

Have you anything on direct selling?

How are executives' salaries estimated in a business budget?

Where can I get a list of chain stores?

How are finance companies formed?

How many families in the United States own two cars?

I want all you have on tea room management.

Have you a picture of the first automobile?

Papers Supplement Encyclopaedias

AND so on, indefinitely, day after day, questions that encyclopaedias, dictionaries, atlases, almanacs, or books, don't answer, but that trade papers do.

Few of these journals are indexed in the general periodical indexes and to make all the rich treasures buried in them readily available is one of the important jobs of the business librarian. This is how it is done in one business library.

The current numbers of all trade papers are hurried onto the magazine racks as soon as they are delivered by the postman. But there is not so much hurry about the month- or week-old journals that are replaced by the new issues, and they are gone over carefully before they are filed and references jotted down to especially vital articles, tables of statistics, illuminating maps, anything of current, lively interest in regard to the special trade, business or occupation, with which each journal is concerned. These references are filed in the general information file along with other material on the same subject.

After a year's file of a trade paper has accumulated, the shelves begin to be crowded. And here is the next problem—how long to keep back files of these unindexed, sometimes bulky magazines? A year, is the answer. Usually during the summer months, the back files are gone over carefully and articles of value and interest, tables, pictures, anything which seems worth preserving are clipped and added to the information file under the suitable headings. A check indicates an article to which a citation has already been made and when this clipping is filed the citation is removed from the file. Annual revisions of the whole file weed out all but the material of the most permanent value.



The old way—the new way is shown below.

Africa's Methods in America's Factories

Here in a land of boasted efficiency and modern methods—workmen are actually carrying the product around on their heads—just as the African savages have done for thousands of years.

This case is not exceptional—in hundreds of factories the product is being moved by hand—in wheelbarrows—or by some other archaic method which costs three times what it should and takes twice as long as necessary.

Thomas Maddocks Sons' great pottery plant saved one-third their total cost of manufacture by putting their whole production process on a Cleveland Tramrail System. Their fine ware is actually molded, dried and finished while moving through the plant as shown in the illustration below.

This enormous production is handled on the Cleveland Tramrail System alone—without any rehandling from molding room to kilns. Standard pottery racks carry a ton of ware through each process. Moving has been ideally fitted to the making here and has revolutionized an industry.

CLEVELAND ELECTRIC TRAMRAIL DIVISION
The Cleveland Crane & Engineering Co., Wickliffe, Ohio

Tramrail Stocks in the Following Cities

ALBANY
93 State Street
BIRMINGHAM
2028 First Avenue
BOSTON
44 Bromfield Street
BUFFALO
240 Sanders Road
CHICAGO
565 Washington Blvd.
CINCINNATI
701 Union Central Bldg.
DENVER
1226 E. 17th Avenue
DETROIT
149 E. Larned Street
LOS ANGELES
430 E. Third Street
LOUISVILLE
513 Columbia Building
NEW YORK
50 Church Street
PHILADELPHIA
2401 Chestnut Street
PITTSBURGH
412 House Building
SAN FRANCISCO
16 California Street
ST. LOUIS
11th & Locust Streets
ST. PAUL
516 Endicott Building
SYRACUSE
404 So. Clinton Street
TOLEDO
2401 Georgetown Street



The cost of moving sanitary pottery ware has been reduced to the minimum in the new Thomas Maddocks Sons' plant at Trenton, New Jersey. One system does all the handling and one man handles a ton or more of ware at a time.



When writing to CLEVELAND CRANE & ENGINEERING CO. please mention Nation's Business

"Shaving" the -Gillette- Budget \$26,100 yearly!

MR. E. FRANK WARD, General Superintendent of the Gillette Safety Razor Company's Boston factory, tells just how it is done:

"Before our FINNELL Electric Floor Machines were installed, 22 men were kept busy mopping. It was laborious and did little good. To clean our present floor space the old way would require at least 30 men. This would cost \$41,100 per year for labor alone.



"Using the FINNELL System, 10 men now scrub 80,000 sq. ft. of office and factory floors in an 11-hour night. They cover the entire plant—400,000 sq. ft.—in 5 nights. The linoleum floors are also scrubbed and waxed every other month. Our entire cleaning cost now is about \$15,000 yearly, including labor, brushes and repairs. The FINNELL SYSTEM therefore saves \$26,100 every year, or \$100 every night! It reduces the cleaning cost from 10.3 cents to 3.4 cents per sq. ft. per year—66 2/3% less!

"State inspectors say our floors are the cleanest of any factory they have ever seen. We believe in clean floors for cleanliness' sake, as well as for the moral effect on employees and the reduction of fire and accident hazards."

Make YOUR Floors Pay Dividends, Too

Whether you have 500 sq. ft. or 500,000—in store, office building, factory, bank, hotel, hospital, school—there is a FINNELL System to suit your individual needs. An investment that not only reduces costs but also promotes efficiency and public esteem is worth investigating. Write today for the facts on how to make your floors pay dividends. Address FINNELL SYSTEM, INC., 410 East St., Elkhart, Ind. (District offices in principal cities of U.S.A. Factories, Elkhart, Ind., and Ottawa, Ont., Can.)

FINNELL

ELECTRIC FLOOR MACHINE

It waxes It polishes • It scrubs

When writing please mention Nation's Business

Chips from the Editor's Work Bench

By Raymond C. Willoughby

A FUNERAL in the east costs \$270, on the average, by the reckoning of *Flagger Prints*, a Kansas City publication "devoted to the business interests of the west and southwest." In the middle west the average charge is \$180; in the south it is \$90. Of course, there's a reason for the differences, and the editor proceeds to give it with telling that "morticians cannot, legitimately, increase the demand for their services, governed as it is by the death rate." A mortician, this reasoning runs, must get a greater proportion of the available business—"or raise the unit price of his sales, or lose ground. For solution of this puzzle there is the bright example of the eastern morticians, whose success gets down to "selling better quality merchandise," with "increased unit sales." The happy conclusion is that "they grew and progressed proportionately"—a way of saying, perhaps, that not all the monuments to salesmanship rest on live prospects.

UNTIL statistics on tempers and tantrums are available, there can be no personal qualification of the census report that our output of shirts declined from \$241,331,226 in 1923 to \$225,962,922 in 1925, a decrease of 6.4 per cent. The fact that most Americans wear shirts argues a profitable demand, but whether shirts are kept on or taken off is more nearly a measure of the consumer's state of mind.

NO MIND could harbor doubt of the great public service of the Moffat Tunnel after reading that the blast set off from Washington "broke down the last barrier between the two bores." Along with that flash of dynamite was an epochal flash of engineering genius. Now it is certain that ingenuity will be hard pressed to find a more practical way of ridding the earth of bores than by setting them upon each other in a sealed tunnel. Though the remedy is a bit heroic, a good many Americans probably would welcome escape from bores, even at the price of a complete breakdown induced by local explosions.

NOT BY chance or accident have generations of Americans combined bacon and eggs. There was good reason for that happy union, and the Bureau of Animal Industry has got around to giving it, along with other digestible facts about the biochemistry of meat. Meals containing ham and eggs, the investigators say, provide a liberal supply of the important vitamins, besides fat, protein, and minerals. And no slouch is the venerable ham sandwich, for the proteins in its bread become more nutritious when eaten in combination with the meat. To that standard filler every dairy lunch is a profitable memorial.

In an age when record-breaking seems all things to all men, it only accords with the expected that pork should have attempted an officially conducted passage through an average stomach. As caught by government watches, the time was 3 hours and

fifteen minutes. In comparative tests, the report reads, pork was digested in the stomach slightly more rapidly than turkey, in the same time as chicken, and slightly more slowly than beef or lamb.

From feeding tests made with 4,000 albino rats, the investigators conclude that many of our food habits were fixed by appetite long before their scientific explanations were known. And when the mouth waters, who would wish to harangue the stomach into veto of higher approval?

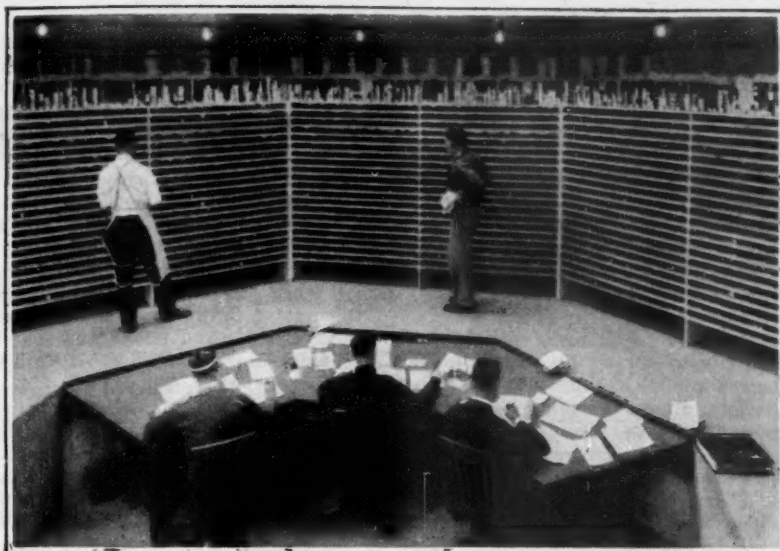
WHILE light is rated a veteran on the world's night shift, it is just getting around to making the corners of baseball parks bright enough for games after dark. Under light provided by engineers of the General Electric Company, the seven-inning game played at Lynn, Massachusetts, is probably the most pretentious experiment toward professional baseball at night. Among the eight thousand persons who saw two clubs of the New England league in action was a fair sprinkling of skeptics—those "who thought the game would prove a joke and came for the mere novelty." If they brought raspberries there was small chance to shed them. Only two errors were made, and neither was traceable to any deficiency of light.

In this sporting application, light opens a new vista of living and doing. Those hard-worn excuses for getting out at night, sick friends and lodge meetings, can be discarded in favor of "going to the game." Stars and luminaries of the sport will shine as much in fact as in fancy—they will need no partisan press to put them in the spotlight. Perhaps the bleachers will have an extra flood of light just to make the exposure seem like old times. Small boys who retrieve balls to gain admission to the parks may boost the market for flashlights and lanterns. Short circuits, of course, would favor base stealing and complicate the protection of umpires. A blown fuse with two out and the bases full would be a situation in itself.

And would not the records of the games include figures on wattage, as well as swat-age?

SATISFIED on the fate of old razor blades, the world has occasionally whetted its wit on the disposal of "dead" auto tags. Our unverified information is that some of the ancient licenses are doing an extra round of duty on the front doors of Negro cabins in the South. Such a fancy for numbers seems only innocent pretense to the order and regimentation of city life. But not so easy is explanation of the old licenses tacked to wooden headboards in cemeteries. "Cause and effect," one observer has suggested. Whatever the reason, the licenses give no great assurance of spiritual transportation. They leave all the doubt felt by the traveler who read the wayside church announcement, "The Way to Heavenly Rest," and then, below that text, the warning "Detour."

Keeping Track of 60,000 Films—



Every record instantly visible!

Every film immediately accessible!

In the picture, the men standing are inserting or removing film rolls from the filing compartments. The men seated are checking all "ins" and "outs" in *Brooks Visualizers* used for the index. Note their natural, easy writing positions. The book you see in the lower right hand corner of the picture is one of the *Visualizers* already checked.

Note what Mr. Alexander says about Brooks Visualizers in this letter

Mr. Alexander ends his letter with the question, "Need I say more?"—but it may be well for us to add just a word or two about *what Brooks Visualizers are*.

They are loose-leaf books, separated into tabbed and indexed sections by "division sheets". Over each division sheet is filed a series of overlapping record sheets, the exposed portion of each carrying the indexing name or number. It is the speediest, most compact and practical method of keeping business records ever known!

This is the only loose-leaf visible equipment with the famous Automatic Shift for instantaneous removal, or insertion, of sheets without disarranging others. Do not invest in any visible equipment until you have *seen Brooks Visualizers demonstrated*. A single experience will convince you.

THE BROOKS COMPANY
1235 Superior Avenue Cleveland, Ohio
Offices in 67 Cities

Distributors for Canada: Copeland-Chatterson, Ltd. Toronto

FLEX-SITE
PATENT SHIFTS

BROOKS VISUALIZERS

TRADE MARK
FOR ACTIVE BUSINESS RECORDS

Copyright 1927, The Brooks Co., Cleveland

ALEXANDER INDUSTRIES
INC.
ALEXANDER INDUSTRIES BLDG.
DENVER, COLO.

March 31, 1927

Mr. Ralph V. Immel
District Manager
Brooks Company
708 Mining Exchange
Denver, Colo.

Dear Mr. Immel:

You are entitled to know of our success with the Brooks Visualizers that you have installed in our service department and in other departments around the plant.

We have done away with several thousands of dollars worth of other filing equipment and have been entirely satisfied with the superior way in which Brooks Visualizers have carried the load.

Since our business has been expanding at the rate of about sixty per cent each year over the last four years, we have had a serious record keeping problem. You and your equipment have helped us to solve it, for which we thank you.

Your equipment has been in use here about three years and during that time has been expanded to four additional departments and subsidiary companies. It started with the Alexander Film Co. and has helped in expanding it to the largest publicity film organization in the world.

Brooks Visualizers are now used in both the producing and selling departments of the Alexander Aircraft Co. to keep tabs on the largest output of commercial airplanes in the country.

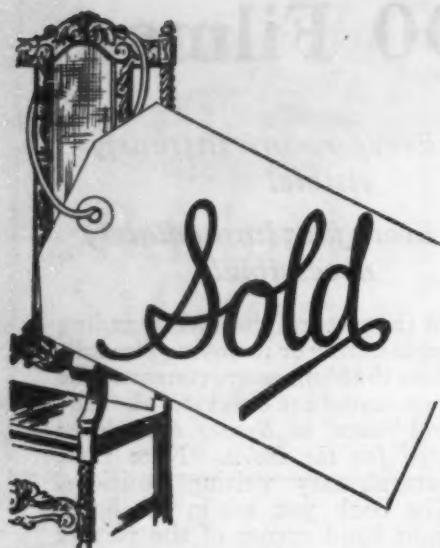
Another subsidiary of our industries, The American Travel System Corp., operators of a national string of tourist hotels, is now preparing to install a set of Brooks Visualizers.

Need I say more?

With a smile,

J. Don Alexander
J. Don Alexander, President.

MADE IN U.S.A.
JDA:WGH



This Sale was Helped by a Denney Advertag

COUNTLESS sales are lost because clerks can't answer simple questions that customers put to them. So Denney Advertags were created to make up the shortcomings of the uninstructed.

Advertags are special Denney tags that put the right words into the mouths of the persons who are responsible for the sale of your merchandise. There is not a chance of a customer receiving distorted information about your product. Advertags are always on the job, explaining in crisp language how the product is made, what it can do, how to take care of it, what the guarantee covers, and perhaps the price.

Advertags are made by tag specialists who can give you intelligent advice on your tag requirements.

DENNEY TAGS

WEST CHESTER, PA.

The coupon below will bring complete information if attached to your business card or letterhead

THE DENNEY TAG COMPANY
24-26 W. Broad St., West Chester, Pa.

☐ Kindly quote on enclosed tags.
☐ Send sample Advertags for my business.

Name _____ Street _____ City _____ N.B. _____
Oct. _____

When writing please mention Nation's Business

Business Views in Review

BY ROBERT L. BARNES

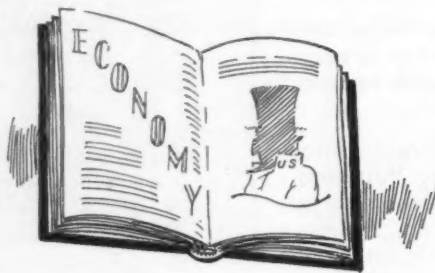
WITH all our material gains there are "certain dangers worth thinking about," according to Magnus W. Alexander, writing in *Century*. Will "consumer credit prove a valuable gain or will it turn out to be delusion and a snare?"

To quote:

"What also shall we say of the new leisure we have won? Are we making the best use of it, or are we simply wasting it and developing disrespect for intensive work, especially among the younger people who have come to a new heritage without fully understanding its significance, or being adequately prepared for it?"

"Due partly to changing social standards, but mainly to our rapidly rising standard of living, we are cultivating an aversion to manual toil: and we are sending more and more boys and girls to schools of higher learning. . . . What proportion of the young men and women who are being sent to high schools, and especially to colleges and universities, has adequate capacity for learning and will be able to return in social value the money invested? . . . is the older generation justified in dancing to the tune that is being played in excess of two billion dollars annually?"

In 1910, 41.5 per cent of the total population were gainfully employed; in 1920, 39.4 per cent were so engaged, according to Census figures. In 1926, according to the National Industrial Conference Board, the percentage had dropped to 37.2 per cent. The



39.4 per cent may be compared with 56.6 per cent in Germany, 44 per cent in Great Britain, 53.3 per cent in France. "Is this decline between 1910 and 1926 to be put down as a credit or a debit in our national economic ledger?"

Mr. Alexander sees two important aspects of our economic life. One is the wide use of research not so that scrap may be reclaimed but used so that there will be no scrap to reclaim. The other aspect is the more professional attitude of business toward itself. "Industry is more than a medium for making profits regardless of the means. It seeks a steady elevation of the standard of conduct of ethics; not because it pays, but because business has found that it cannot thrive long in a low moral atmosphere. It aims to develop self-government not because it fears state government, but because it believes that if it wills it can more effectively police its own affairs."

"What the ultimate result of this new spirit in our industrial life will be it is too early to say, but it is certainly a future to be viewed with pleasant expectations."

One of the interesting features in contemporary economics is the consolidation movement, not alone its economics, but also the attitude with which people generally are looking at it. American business men in many lines are somewhat concerned, accord-

ing to *Advertising and Selling*, which goes on to say:

"Competing with a group of competitors of almost one's own size and importance is one thing; competing with a group of one's former competitors who have grouped themselves into a big combine is quite a different matter."

"It takes courage to meet this kind of competition. But the courage is not confined to one side. If the small independent is worried by the size and solidarity of his impressive combination competitor, the latter is rather worried over the smaller man's greater flexibility in meeting changing market needs and tastes, and his ability to deal more directly with the details of his enterprise."

"Both parties to the competition will learn much if they will make a study of the consolidation history beginning with 1900, for that study will show, on the one hand, what the weaknesses of consolidation have proved to be, and, on the other, what its strengths are. The time has come for the top executives to become students as well as administrators."

One of the industries which has been hardest hit by research and the laboratories is that of lumber. But now at last "The Laboratory Joins the Lumber Camp" according to *The Lumber Manufacturer and Dealer*.

"Yet science seems to have repented once more. Science wants to make amends to lumber, it appears. For the curtain is rising on a new lumber—treated lumber, lumber more fire-resistant than iron, lumber and wood products weatherproofed beyond the fondest dreams."

"The imagination may be allowed full play on what lies ahead in this new field. We believe it justifies some lofty flights of optimism for lumber and, by the same token, considerable soul-searching and a few sleepless nights for the synthetic materials competing with lumber. The laboratory has had its fun with lumber. Now it seems in the mood to play a few tricks in its favor."

It occurs to us to ask: if it is true that research "has amply demonstrated its usefulness," why turn to the Government to extend that usefulness as advocated in the *Southern Lumberman*?

"Time was when the hardy practical lumbermen did not think very highly of research and experimental work, but as the years go by there are more and more lumbermen being converted to the value of such activities. The Forest Products Laboratory, for instance, has amply demonstrated its usefulness and has paid very handsome profits on the money expended on it. The Government very easily could spend another million dollars in additional forestry research with gratifying results, and it is to be hoped that this policy of rigid economy will not be permitted to interfere with this constructive work."

Suggestion for a Compromise Regarding Railroad Valuation

THE acceptance of either the theory used in the O'Fallon Decision of the Interstate Commerce Commission or that of cost reproduction new for valuing the railroads is bound to be a long, expensive legal struggle. It is hardly reasonable to expect that either theory will be accepted in toto. In discussing this question *Railway Age* says:

"As a practical matter, entire structures

The Difference between Profit and Loss

Distribution economies frequently make the difference between profit and loss in marketing products in the Great Metropolitan Market of New York. Cutting distribution costs is vitally important because so often production costs have been reduced almost to a minimum through engineering developments.

Manufacturers must look to their distribution systems for the additional savings demanded today by keen price competition. The rapid development of hand to mouth buying has left many manufacturers with stocks of merchandise in their own New York storerooms formerly carried on the retailer's shelves . . . and financed by him.

Much remains to be accomplished in reducing the high distribution cost which usually results from carrying heavy merchandise reserves for delivery to merchants who deliberately delay ordering until their own supply is exhausted. Bush Systems have been developed to meet this particular problem . . . to insure low inventory charges on such reserve merchandise . . . to insure quickest possible deliveries to point of demand.

Smaller spot stocks, frequently

BUSH DISTRIBUTION SERVICE

1. Freight cars taken over from any railroad, carefully unloaded and merchandise placed in special service rooms.
2. Merchandise checked and entered on inventory forms, and irregularities immediately reported.
3. Special inspection of merchandise involving unpacking and re-packing.
4. Immediate release of merchandise upon delivery instructions.
5. Automatic stock records posted and monthly summaries issued of total withdrawals and stocks on hand.
6. Delivery of merchandise to any point in Greater New York in shortest time possible.
7. Open Stock Service includes unpacking cases, stocking merchandise in special compartments according to size, style and type of product, and assembling merchandise for assorted orders.
8. Special combinations of Bush facilities arranged for manufacturers with special, large scale distribution problems.

replenished, result from Bush Service. No unnecessary merchandise, and therefore no unnecessary expense, can possibly exist under this system. Minimum inventory is its aim . . . but a minimum that is flexible, varying automatically with the needs of each manufacturer's sales seasons.

There is no fixed overhead to be paid for during slack seasons. You incur no such charges for there are no unused facilities under the Bush System . . . an important feature today when price competition has reached its peak . . . another aid to distribution economies and so to profits instead of losses.

Manufacturers with large scale distribution problems in Metropolitan New York can arrange to use any special combination of Bush Terminal facilities for receiving, stocking, manufacturing and distributing merchandise in any quantity desired.



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New York

Bush Terminal Company
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EAST INDIES
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INDO-CHINA
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126 Franklin Street.....	Walker 4891	1824 Broadway.....	Columbus 4311

BOSTON, 109 Congress Street..... Liberty 8864
WASHINGTON D. C., 1112 Connecticut Avenue, Main 7400
CHICAGO, 10 So. La Salle Street..... Dearborn 1921
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of rates never have been and probably never will be based entirely or even mainly on valuation.

"Rates must be made to develop and move traffic and in accordance with competition between the railways themselves and between them and other carriers. They must also be made with some regard to public opinion, and public sentiment would hardly tolerate rates that would yield a fair return on a cost of reproduction new valuation unless convinced that this return was required to enable the railways to render good service and make the improvements essential to economical operation.

"Suppose, however, that the commission maintains the extreme position taken by it in the O'Fallon case. By taking this extreme position it has largely destroyed the confidence in its intelligence and fairness of those who realize how far it has gone in favoring a confiscatory policy. A decision of the Supreme Court completely condemning its attitude would in the eyes of many further discredit the commission, while to others it would seem to justify wholesale criticism of the court as the friend and defender of the interests. The railways will be embarrassed if it is necessary for them to conduct prolonged litigation over valuation because they will make claims which to most people will seem extreme, but which, as a matter of legal strategy, they will be unable to avoid making."

The editorial then goes on to point out how damaging this would be toward the railroads in the mind of the public. Were the railroads to admit that they did not expect to be granted all their claims they would be put in an even more unenviable light before the public. But since both the Interstate Commerce Commission and the officers of the railroads have discretion and are not legally, morally, or economically bound to fight for their positions to the bitter end—and any ending fought through the courts would be bitter:

"The suggestion has been offered by some public-spirited men who are not connected either with government regulation or the railroads that in some way a working basis



of valuation that would be between the extremes now being advocated might be arrived at; and while the suggestion may seem Utopian it seems to have the merit of good sense.

"Since they have been conducted and regulated in the past, are being now, and must be for some time in future without any valuation that accords with anybody's theory, why should it be impossible to arrive at a reasonable and practically permanent compromise without a previous struggle of indefinite length in the courts?"

"What both railroads and public ought to want are rates, which, first, will move the traffic, and, secondly, will produce net returns sufficient to enable the railways to raise enough capital to make all the enlargements and improvements in their properties required in the interest of adequate service and economical operation. The commission's decision in the O'Fallon case is being attacked on legal grounds, but the real reason why it is so objectionable is the eco-

conomic one that rates based on it would deny the railways the earnings they now require and will require to raise adequate capital. In other words, the vital issue presented is an economic and not a legal one."

Will Fascism Be Triumphant While Democracy Theorizes?

JULIUS H. BARNES, writing in the September issue of NATION'S BUSINESS, "An Answer to Mussolini's Challenge," seems to have answered the very questions that Lothrop Stoddard raises, writing in the October *Harper's*, "Realism: The True Challenge to Fascism." Mr. Stoddard's article is worth reading because it states clearly wherein the challenge of Fascism to Democracy does lie. To quote:

"What, then, is this novel element which constitutes Fascism's true challenge to our times? It can be expressed in one word: *Realism*. The keynote of the Fascist philosophy (as distinguished from mere propagandist screeds or popular outbursts of emotion) is a thoroughgoing revolt against the sentimentality and phrase-worship of our age.

"Opposed to theorizing as they are, they consistently try to keep their minds from crystallizing around formulas of any kind, except as working hypotheses which they may scrap tomorrow. Similarly, tradition and emotion are recognized as useful tools and powerful stimuli; yet these are to be valued in a relative, not an absolute, sense.

"In the light of all this, how absurd appear current assertions that Fascism and Bolshevism spring from the same root. Despite certain similarities in method, the two movements are philosophically far asunder. For the Bolsheviks are not realists—they are subject to the most rigid dogmatism. James tersely defined pragmatism as 'Does it work?' Now that terse phrase is precisely the acid test continually employed by Fascist leaders in considering their problems. Indeed, it largely characterizes Fascism's intellectual attitude toward the entire scheme of things.

"Whatever may be the outcome of the Fascist Government's neo-aristocratic experiments, Fascism's challenge to doctrinaire equalitarianism is in accord with the trend of scientific discovery. Modern science proclaims in no uncertain tones that men are not created equal.

"Of course, this is recognized and appreciated by scientists and well-informed laymen the world over. But in most countries these scientific findings have had little effect on politics, which is still swayed by the equalitarian, environmentalist notions of past times. Italy is the first instance of a modern nation ruled by men who have definitely repudiated the equalitarian tradition. If Italy's rulers become correspondingly alive to the importance of scientific discoveries of human values and translate them into positive legislation, Fascist Italy may show the world some surprising results."

Is a Bear Market Just Ahead or Have We Had It Unwittingly?

THE bull market in stocks has run so long that a good deal of caution is being used in investing and it is being suggested that a bear market is just ahead. *Iron Age* points out several factors that should be carefully considered in discussing the question of the future of the market. To quote:

"It may be that we have already had our bear market without being aware of it. The holders of petroleum, textile, rubber, copper, lead, zinc, silver, meat packing, and fertilizer



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The Country's Biggest Fleet Owners Gave Us This Information

A SURVEY among the 5,321 biggest manufacturing organizations in the country has given NATION'S BUSINESS the first real information ever compiled on motor-car and truck-fleet purchases and on tire and accessory purchases by fleet owners. Some of the questions asked and answered are:

- How long, in terms of mileage, have you found it profitable to operate cars and trucks before replacing?
- What is the approximate cost per mile of operation, including depreciation? (In many cases operation charts were submitted in answer to this question.)
- Are passenger cars purchased by the company or individuals?
- How are operating expense and upkeep handled?
- If passenger cars are purchased by the company, does the individual who will operate the car have any voice in the selection of make?
- Do you purchase tires for your fleets direct from the manufacturer or through dealers?
- Who determines the kind of tires used?

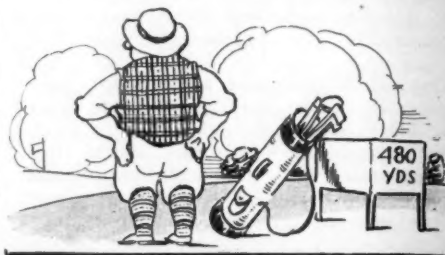
This information will be useful to motor car and truck manufacturers, to tire and accessory manufacturers and distributors, to oil refiners and sales companies, to insurance companies, to financial organizations—and to all advertising agents.

Details of this survey have been put in condensed form by an impartial research bureau and are now available for agencies and advertisers. Clip this advertisement and send it to Guy Scrivner, Director of Advertising of NATION'S BUSINESS, 850 Graybar Building, New York City.

securities—without attempting to enumerate a complete list—will inquire, if there be any further bear market, whether the securities of their companies are to be sold for a song.

"In fact, the bull market of the last year has been only in some groups of stocks, whereof the rails and motors have been the most prominent. In some of them speculation may have been overdone and correctives may be required. Forced liquidation may then depress further other stocks that appear now to have discounted most if not all of their own industrial adversity.

"Anything of that sort, should it happen, would probably be quite different from a major bear market resulting from economic reverse. The confused and perplexing conditions of the moment are probably phases of the adjustment of our affairs to the basis of a consuming economy, as well as to competitive overproduction in the face of an enormous consumption. The danger signals will begin to fly when there are evidences of unemployment and curtailed consumption. When, for example, the use of gasoline be-



gins to contract, it may be deduced that the ability of the people to enjoy consumers' goods has been crippled. Likewise, when attendance at the theatres and baseball parks falls off."

No Panics, Only Depressions

WITH increasing frequency we see references to the reduced likelihood of our having serious panics in the future. The business curve is flattening out. On possibility of a panic *American Metal Market* says:

"The character of our activities in the past few years has been such as to reduce the chances of a panic. Of our total activity the proportion of building and of creating capital investments that might not produce expected earnings has been less than used to be the case. We have been living more from hand to mouth.

"This talk about panics must be very tiresome to not a few people from the viewpoint that it infers that business of late has been particularly good. It has not been particularly good. Various new records are made in physical output, but the gains have been small and not commensurate with the normal growth of the country. Steel production in the first half of this year was only 2 or 3 per cent above that in the first half of 1923, four years ago. That really represents a slipping backward.

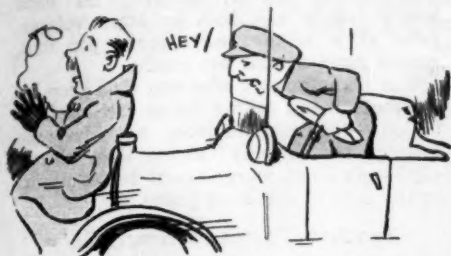
"The less we have to lose, the less chance there is of our losing it. We may have depression without panic, and then there is much less to be repaired, whereby recovery comes more quickly. If the average of the past five years is standard, allowing for natural growth, then we are in at least a mild depression at the present time."

Will the Highroad Be for Walking or Riding?

ANOTHER inter-industrial battle is on. The combatants are the shoe industry versus the automobile industry. The automobile industry claims that "you can't afford to walk," while the shoe industry states that

"you can't afford not to walk." To quote *The Boot and Shoe Recorder*:

"One car to a family is not enough, says the auto man. So we now see a car for father, one for mother, one for son, one for



daughter and maybe a roadster for the cook. Such a household needs more parking space than habitation—more gas than groceries—and more speed than sleep. That family lives on the high road. The women folk get fat from too much sitting, while the men take to golf rather than to business. It's a new mode of living that may have its charm, but we doubt it. In ten years feet will have lost most of their functioning in this family.

"Riding aimlessly about, as most of it is done, costs much money. Whence comes this money but out of channels that might well need the money more. Ask creditor dentists, doctors and storekeepers who gets the first dollar out of the wage envelope—the automobile.

"But the saturation point in automobile sales has not yet been reached. Powerful propaganda is helping to keep highroads humming and sidewalks idle. 'You can't afford to walk,' but there are many who can't afford to ride but do 'to keep up with the Joneses!'

"When there is a need to go speedily from one place to another, or to transact business or to get the pleasure of a ride, the automobile fulfills completely—but it can never take the place of feet. A foot-useless America won't stand up in the battles of the future."

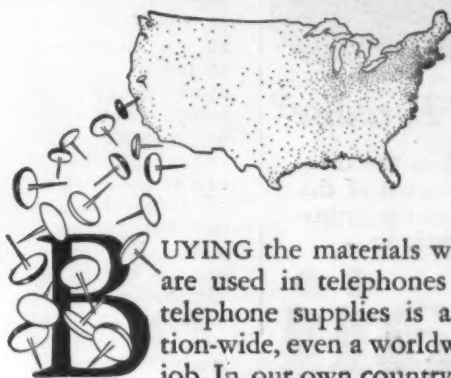
Congress Might Be Willing To Modify Uneconomic Laws

GOOD may come of the Federal Trade Commission's resolution to make a sweeping inquiry into the relations of E. I. DuPont de Nemours Company, the General Motors Corporation, and the U. S. Steel Corporation, according to the *American Metal Market*.

"This and similar inquiries should be commended because they aim at the economic welfare of the people. Big business has shown its usefulness and the more light thrown upon the facts the better. It is quite a different case from many in which the trade commission has sought to pry into private affairs requiring the investigated to incur much expense, and it is quite different from the effort of the Government in the Steel Corporation suit to dissolve a business organization of ten years' standing, which could not possibly be unscrambled.

"It is fitting and advantageous, in other words, for the United States Government to go in for economics. That is much better than trying to put people in jail or fine them, or disturbing or disrupting going concerns irrespective of economic consequences because some law, perhaps altogether contrary to sound economics, appears to have been violated. If the Government goes in sufficiently for economics it may find that some of its laws are contrary to economics and then presumably even the politicians in Congress would become willing to modify those laws."

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The Western Electric Company is a market for the products of his own state, county or town, perhaps his own business. The great industry of making telephones helps to turn the wheels of other industries, great and small.

Not only manufacturing industries but agriculture and mining as well sell to this market—the cotton grower of the south and the metal miner of the northwest along with the machinery maker of the east.

In all, a buying job which every year exchanges many millions of dollars for value received, distributing this sum along the byways as well as the highways of trade, so that making telephones for the nation is a work of the nation and by the nation.

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SPECIAL TOURS PERSONALLY CONDUCTED by a company representative on each of the monthly sailings of the cruisers de luxe S. S. City of Los Angeles and S. S. City of Honolulu, up to January 1. Send for Special Tour Folder.

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News of Organized Business

WITH steadily declining price levels manufacturers are faced with the problem of making as good a profit in 1927 as they did in 1926. R. M. Hudson, Chief of the Division of Simplified Practice of the Department of Commerce, points out in the Monthly News Bulletin of the division. To quote Mr. Hudson:

As prices go down under the stress of competition, the usual course is to hammer down production costs with the hope of at least preserving the same relative margin or percentage of profit per unit of sale. However, this usually means smaller actual money profit per unit, and the problem then becomes one of selling enough more units at the lower price to make the same annual net profit as before. This effort to increase sales volume may so add to a company's cost of doing business that the savings it makes in production are lost in the distribution of its product. In that case, even with the greater volume sold, net profit may not be as good as in previous years.

Therefore, as a safeguard against smaller net profit, we suggest simplification. It has been definitely proven in numerous instances that "simplification" reduces both the costs of production and distribution. It has likewise been definitely proven that "diversification" adds to both production and selling costs.

Yet there are many manufacturers who believe the best way to get more business and to make more profit is to add another number to the line. That would work out profitably more often if they, at the same time, dropped or discarded some slow-moving or seldom-wanted line number, even at the risk of not being able to supply it on an occasional order. The usual practice of striving for greater volume by adding new lines, meanwhile hanging on to all the old ones, soon makes the whole line top-heavy, and inventory rapidly piles up with items that do not turn over.

Profits that would otherwise have been made on the live lines are absorbed in the costs of carrying the dead ones in stock. As the variety increases, the burden on plant facilities and the whole production personnel increases, and sooner or later manufacturing costs go up instead of down. The selling organization is pushed to spread its effort over the expanded line, and the consequent diffusion of effort usually increases the cost of selling per unit of sale faster than it increases the total volume of units sold.

A minimum consistent range of line

numbers—all active, carrying no dead weight, made and sold in large volume, even at a smaller cash profit per unit, means good annual net profits.

The manufacturer who can thus keep his production and selling forces "stripped for action"—the manufacturer who has the courage to "simplify" rather than "diversify"—need not worry about better profits in the face of declining prices.

Spotless Towns or Nearly So

WE HAVE not heard of another city in this country that can equal the record of Virginia, Minnesota, whose chamber of commerce reports that "every foot of streets and alleys of our city is paved." This commendable sign of civic alertness was brought out in a report issued by the Civic Development Department of the National Chamber on "1927 Clean Up Activities of Chambers of Commerce." This report briefly summarizes the activities pursued by local chambers in their efforts to clean up and keep clean their cities. It is a helpful summary of methods used. It is available for distribution to those interested.

Trade Lexicography

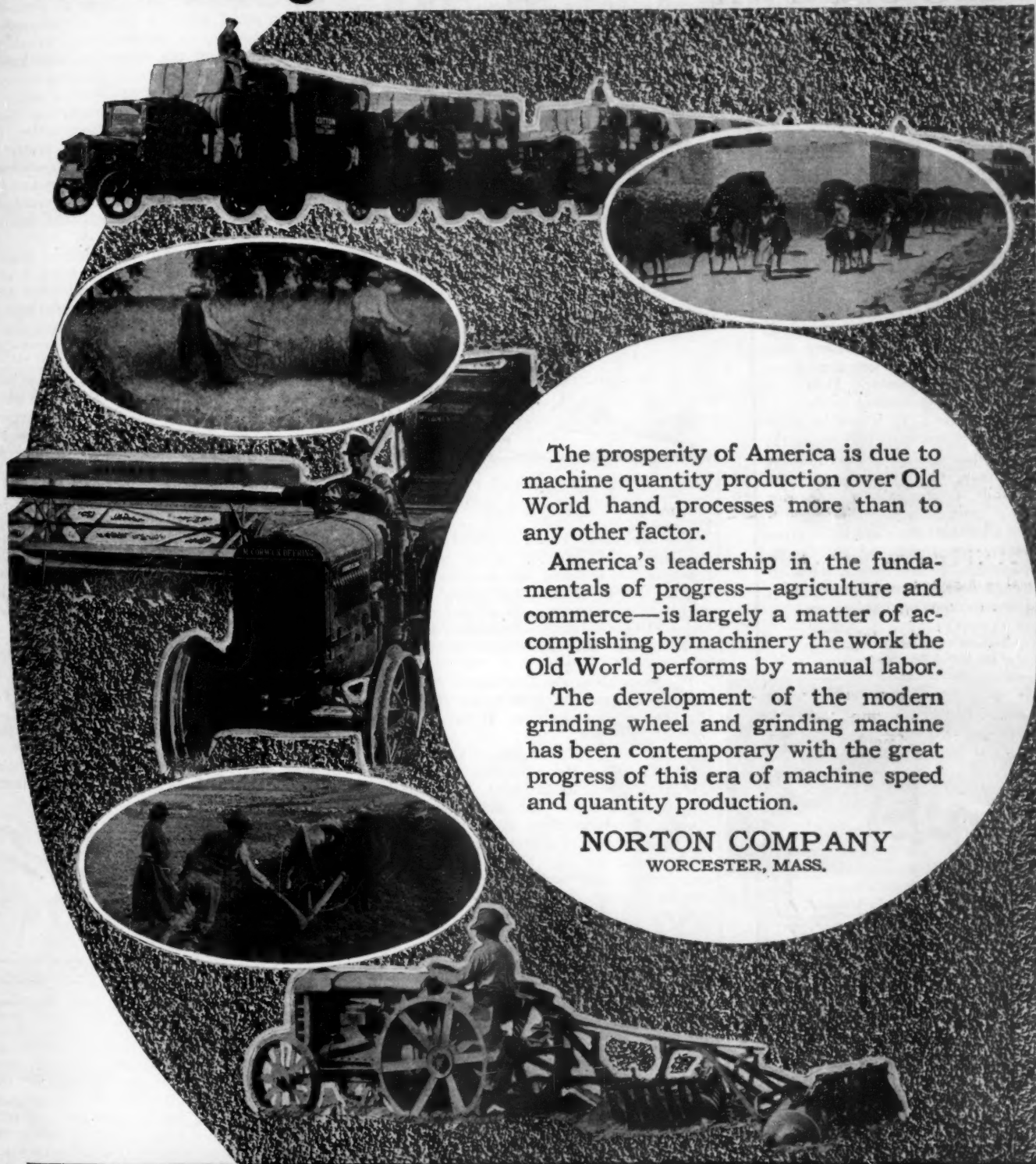
WHEN the first national conference to outline an educational preparation for the vocation of real estate was called, at Madison, Wisconsin, in April of 1923, courses in real estate or in land economics were unknown in all but three or four institutions of learning in the

United States. In September of this year 52 universities and colleges will be offering one or more of these courses, according to a tabulation which has just been issued by the National Association of Real Estate Boards.

Paralleling the introduction of land economics and real estate into the curricula of colleges and universities, courses in these subjects have come to take a prominent place also in the adult education movement, according to a further tabulation made by the association from special reports by its member boards.

Since last September 89 local real estate boards in cities throughout the United States conducted courses in real estate either under their own auspices or in cooperation with Y. M. C. A. schools, university extension divisions, or similar institutions: 117 courses were given, 76 of them being general courses in real estate business fundamentals. Eleven of them were special courses in real estate appraisal methods; eight were courses in real estate law; six were courses in the technique of real estate conveyancing; six were courses in specialized real estate selling methods; three were studies of modern methods in real

Grinding – American Leadership



The prosperity of America is due to machine quantity production over Old World hand processes more than to any other factor.

America's leadership in the fundamentals of progress—agriculture and commerce—is largely a matter of accomplishing by machinery the work the Old World performs by manual labor.

The development of the modern grinding wheel and grinding machine has been contemporary with the great progress of this era of machine speed and quantity production.

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The Apache Trail is said by thousands of visitors each year to be the world's most scenic highway. Massive peaks, deep, gloomy canyons, lakes, waterfalls, deserts—all in panoramic array... the sight of a lifetime!

And all this is only a few hours from Phoenix—metropolis of the Southwest—with its green lawns, trees and flower gardens, golf and country clubs, and fine community development!

It's worth a trip from the Atlantic Seaboard to see the rich verdure of the Salt River Valley, alone!



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estate finance, and two were technical courses in property management.

* * *

Educational advertising is being undertaken by the National Macaroni Manufacturers' Association, according to the *Price Current Grain Reporter*. This is one of the means undertaken of disposing of the durum wheat crop grown in the Northwest. The magazine in an editorial suggests "That some of the farm organizations might well contribute a substantial amount and perhaps cooperate with the macaroni manufacturers in the advertising program."

* * *

Washington or Chicago? The choice of cities seems to narrow itself down to either one of these two as suitable for headquarters for national trade associations. Washington has for one of its advantages that it is the



center of political activities, Chicago has for one of its advantages that it is in a strategic position geographically.

The American Pharmaceutical Association has chosen Washington as the site for its headquarters building which is to house the general offices of the association, a library, an historical museum, and a research laboratory. Other pharmaceutical associations will be invited to have their headquarters in the same building.

The association was established in 1852 and was incorporated in 1888 under the laws of the District of Columbia. It has had a continuous existence.

* * *

In describing the activities of the Tank Car Association, its manager, J. Arthur Kealey, wrote us that: "The Association is composed of the larger tank car owning and leasing companies throughout the U. S. and has its headquarters in Chicago. The Association collects and disseminates statistics concerning the use of tank cars and methods and cost of maintenance of said cars; to develop more scientific and economical methods of operating said cars; to adopt lawful plans for the general development and improvement of the business; to develop and promote closer cooperative relationship between lessors of tank cars and the railroads and users of them."

Attack on Cut-Price Sales

"WE NEVER hold sales of any kind nor do we name comparative prices. We always sell our goods at the lowest possible prices consistent with prevailing market conditions, and when we mark down some article to its replacement value the former price is forgotten," according to R. L. Whitman, advertising director of the J. C. Penny Co., chain store operators. Mr. Whitman made this remark in discussing "National and Retail Advertising Applied to Nation-wide Storekeeping" before the Association of Newspaper Advertising Executives at the International Advertising Association held in Denver.

"I feel that the position of our company on the question of ethics in retailing is well known and defined. Hence we are entitled to serious consideration when I tell you

frankly that the time has come to push on one step further and abolish a practice that is slowly but surely destroying the confidence and trust of the public. A practice that increases overhead, that is harmful to business as a whole, and, if permitted to go on, will eventually destroy the importance and value of newspaper advertising as a medium for the retail store; a practice endorsed—or apparently so—by nearly every retailer in the country and one that has been handed down through generations of tradesmen. I refer to the practice of the special sale.

"It is not without some hesitation that I approach the discussion of this practice. One does not attack a tradition—so firmly entrenched behind the barriers of precedent—without serious consideration. Mistaken convictions have, however, been responsible for some of the heaviest burdens that industry has had to shoulder.

"One merchant in a town decides that he must stimulate business, so he holds a great "whoop hurrah sale." His competitor hears the noise and decides that he must not let him get the better of the situation, so he plans a bigger sale. And so on up and down the street.

"Now, if you stop to analyze what is being done you will find in most cases that 90 per cent or more of the merchandise advertised at a "special sale" price is marked as high as—and in many cases higher than—the regular price ought to be.

"What is the result?

"Dissatisfaction among customers; shattered confidence; suspicion in the minds of newspaper readers when a bona-fide offer is made in an advertisement. Then follows mistrust, a loss of faith and a feeling of unbelief and uncertainty. The influence and force of advertising in general is materially reduced.

Pacific Trade and Travel Exposition

IN SAN FRANCISCO from November 11 to 20 there will be held the Pacific Foreign Trade and Travel Exposition. It is planned to have representative exhibits from exporters and importers in the United States and also of the products of Japan, China, Dutch Indies, Philippines, Hawaii,



Australia, New Zealand, India, Mexico, and various Central and South American countries.

The Foreign Trade Club of California, an organization of over 700 members, is sponsoring the Exposition. Already the success of the plans for this year's exposition lead the club to plan to make it an annual affair.

William D'Egilbert, director general of the exposition, expresses the purpose of the exposition in these words:

San Francisco is anxious to express to the world her dominant advantage as the crossroads for the commerce of the Pacific Ocean area, which promises in the very near future to outstrip all oceans in value and volume of trade. Western America has required some such expression since the closing of the doors of the 1915 Panama Pacific International Exposition which did so much to reestablish relationships

Thirteen *Unseen* Helpers for Every Man You *Know* is Working



Write for your copy of this interesting book

"Industry's Electrical Progress" puts into interesting form some stories of savings made by Cutler-Hammer engineers. Full of facts and ideas no man in industry will want to miss. Sent free of charge or obligation upon request.

Report 1214—In this printing plant, Cutler-Hammer engineers recommended that the obsolete hand operated starting and speed regulating controllers on the presses be replaced by C-H Push Button Automatic Controllers. These controllers were mounted on nearby posts and the push button stations installed on the presses. Production showed an immediate increase, as the foreman or pressman preset the controllers to maximum speed for each job in hand, and the push button control in easy reach of the press operator so simplified control that full attention could be given to production.

Your choice of Motor Control decides alone how well you use this unseen army

Few plants, now, are careless about the manner in which men are employed. Competitive conditions today make the waste of either time or energy intolerable. And yet, the usual time studies do not show at all how efficiently the major part of industry's man power is employed—the *unseen* workers provided by electric motors. Today, this unseen army outnumbers, thirteen to one, ALL of the men on industry's payroll!

When you install motors, you merely put these *unseen* workers at their posts of duty. What they do in your plant, how well they are employed, depends on your choice of Motor Control. Correctly chosen, Motor Control utilizes their full capacity for the jobs in hand. It puts their efforts at the complete command of your men—to save time and labor.

Surely this subject merits serious thought. Make sure in your plant—make certain Motor Control has been correctly chosen. In the purchase of new machinery, demand C-H Control. The C-H trade-mark on ALL your Motor Control is your best assurance of efficient, dependable production.

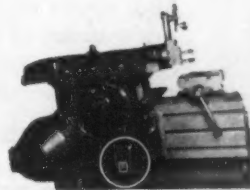
Cutler-Hammer engineers are ready to co-operate with your plant men or consulting engineers in making a survey of your plant to see that Motor Control is correctly chosen for every drive. More than 30 years' experience supports their recommendations and this service entails no obligation or expense on your part.

The CUTLER-HAMMER Mfg. Co.

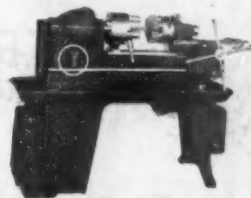
Pioneer Manufacturers of Electric Control Apparatus
1251 St. Paul Avenue • Milwaukee, Wisconsin

Cutler-Hammer Motor Control—the Mark of Careful Machine Design

Many machinery manufacturers now build C-H Motor Control into their products to insure their customers the greatest possible economies in the operation of this equipment. The C-H trade-mark on the Motor Control is sound indication of careful machine design and good construction throughout. You may well expect economical operation and low maintenance costs from such equipment installed in your plant. The machines shown below are typical examples.



Shaper—Cutler-Hammer "Across-the-Line" Automatic Starter is mounted on the base—push button control at operator's position on the other side of machine.



Turret Lathe—Cutler-Hammer Automatic Controller is mounted on base at right, as shown—push buttons and speed regulation control in easy reach of operator.



CUTLER-HAMMER

Industrial Efficiency Depends on Electrical Control

Where KNOWLEDGE is Bliss and IGNORANCE is Folly

Ignorance may be bliss and it may be folly to be wise—in poetry—but *not in business*; for Ignorance is the greatest of all business evils; because it is blind business in action.

Successful business *knows*, from costly experience, that Ignorance is *anything but bliss*. And that the only connection *folly* has with *wisdom* is when business has been foolish enough not to be wiser sooner.

Nine out of ten infirmities and failures in business are directly traceable to barren Ignorance—ignorance of trade conditions, of costs, of markets, of simple organization, system, management, control. And, above all, *blind* ignorance of the presence of a new order of things in business today—the order of *exact knowledge based on dependable facts and figures*—the order of Modern Accountancy.

Ignorance is the bandage to the eyes, the chain to the feet, of Progress. Knowledge is the wings lifting business to greater heights in human service—and so to Power and Profit.

A business that *knows itself* does not fail. A business that *guesses and gambles* never fails to fail.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	DENVER
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	SAN FRANCISCO
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	LOS ANGELES

between all countries and especially during that wartime period, but nothing substantial has been attempted since then.

Those desiring further information should write to Mr. D'Egilbert, Merchants Exchange Building, 465 Market Street, San Francisco.

Americanization Work

THE Pawtucket, Rhode Island, Chamber of Commerce has established an Americanization Bureau primarily to meet the problems of a community that has sixteen different nationalities working in its mills with 75 per cent of its population of foreign birth or foreign parentage. This bureau has reached two hundred women in home classes of from five to seven, using college trained student-teachers (from Brown University social science department) working under a trained supervisor employed by the Chamber on a part-time basis. After ten weeks' instruction these women met for a social evening and were able to converse in English—as the common tongue of the ten nationalities represented in the gathering. The work itself was an experiment which was sufficiently successful to lead to the State appointing a Rhode Island instructor of home classes on full-time salary. The bureau also coaches persons (men and women) desiring to qualify for final citizenship papers and gives information freely to others seeking it on the subject of naturalization. Two classes were turned over to the school department numbering 15 each. The bureau has been made a permanent feature of the Chamber's work. Total cost was \$1,000.

Program Committees, Please Note

IRON AGE makes a suggestion that should go on the program of work of the National Association of Conventions of America, Inc., if such there be. If there is not such an organization, we recommend it to all program committees and secretaries of associations for their earnest consideration. We print the editorial in full, hoping that "something will be done about it." We are at times tempted to break with our principles and suggest that "there oughta be a law" on the length of convention speeches. If voluntary cooperation effects no results by the time of the national political conventions, we recommend it to any one of



the national parties for use in its platform and for a prompt dismissal into limbo after the election.

If the United States were ruled by a benevolent despot no doubt he would issue a ukase making it a crime punishable by boiling in oil to schedule more than three technical papers in a single session. And for this most salutary law, his despotism would justify itself forever.

But it avails not to pine for this Arcadia; it is certain such a law could never be enforced. Next month, next year will

Insurance Executives Read NATION'S BUSINESS

AN actual check against subscriber cards of the names of all executives in fifty representative insurance companies showed that NATION'S BUSINESS is read in forty-nine of the fifty companies, by 931 subscribers.

The man who makes typewriter ribbons or motor cars will find this field worthy of cultivation. No other publication of general circulation can give such thorough coverage of the insurance field.

For details of the insurance survey, address Advertising Department,

NATION'S BUSINESS, Washington, D. C.

be more meetings of exhaustive length. The only consolation is that there is no law compelling the members of the afflicted societies to sit through them from end to end.

Nor do they.

One suggestion (for this is bad for society and member): Now that the study of fatigue in metals is so stylish, why not extend the investigation to the no-less-important realm of fatigue of audiences? It should be possible to determine the endurance limit of selected samples of humanity under various conditions of humidity, temperature, monotony and proximity to golf course, boardwalk or (sand) bar. Given these needed fundamental data, a secretary could proceed to design programs unlikely to injure the elongated session.

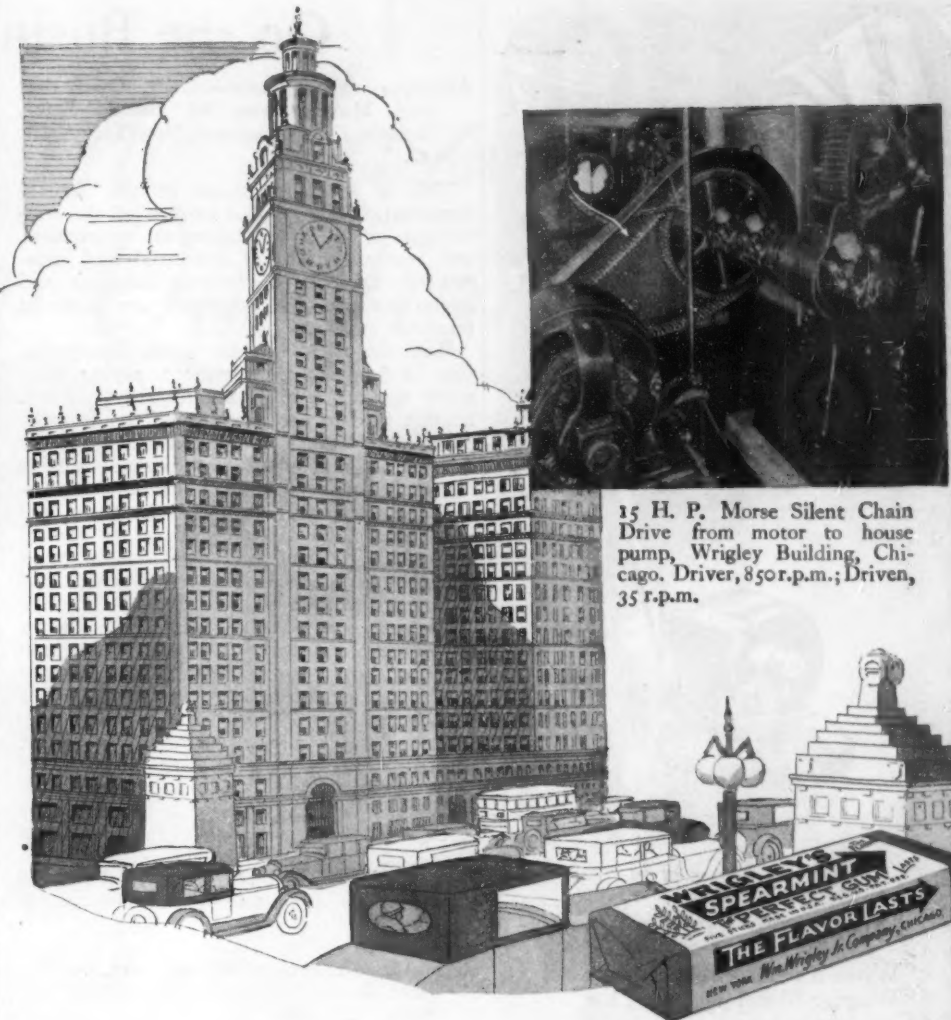
Pending the accumulations of such design data, some mistakes will continue to be made. Seven items on the agenda allotted 15 minutes each will unaccountably stretch to three hours. To avoid or at least mitigate the attendant physical suffering, the sale of cushions at the door might prove efficient (pop bottles, however, we do not favor). Or there might be a "7th inning stretch." Or the happy cricketing custom of recessing for tea might be imported. It would be well worth any customs duties assessed.

Other plans might easily be devised. But something should be done and that quickly, if only to save our societies from their programs.

Coming Business Conventions

(From Information Available September 1, 1927)

Date	City	Organization
October 8	New York	American Institute of Marine Underwriters.
3-7	Cleveland	American Electric Railway Association.
4-6	White Sulphur Springs	International Association of Casualty and Surety Underwriters.
4-7	Louisville	National Selected Morticians.
Wk. of 9th	Del Monte	National Coffee Roasters Association.
9-12	Boston	National Association of Stationers.
10-13	Washington	National Association of Mutual Insurance Companies.
10-13	St. Louis	First National Fuels Meeting.
10-14	Chicago	American Gas Association, Inc.
10-14	Minneapolis	American Hospital Association, Inc.
10-15	Chicago	Laundryowners National Association.
11-12	Washington	Federation of Mutual Fire Insurance Companies.
11-14	Long Beach	National Tent and Awning Manufacturers Association.
12-14	Memphis	National Association of Life Underwriters.
12-14	Cincinnati	National Funeral Directors Association.
12-15	Delaware	WaterGap Automotive Electrical Association.
13-15	Los Angeles	Pacific International Photographers Association.
18	Minneapolis	Bridge and Building Supply Men's Association.
18-20	Minneapolis	American Railway Bridge and Building Association.
18-21	New Orleans	National Association of Insurance Agents.
18-21	Dallas	National Association of Railway and Utilities Commissioners.
19	West Baden	National Association of Marble Dealers.
19-21	Chicago	Direct Mail Advertising Association.
19-21	Columbus	International Association of Milk Dealers.
20-23	Atlantic City	Outdoor Advertising Association.
Wk. of 24	Atlantic City	National Paint, Oil and Varnish Association, Inc.
Wk. of 24	Atlantic City	Spray Painting and Finishing Manufacturers Association.
24-25	Atlantic City	American Paint and Varnish Manufacturers Association.
24-27	Cleveland	National Association of Ice Cream Manufacturers.
24-28	Dallas	American Life Convention.
24-28	Los Angeles	Pacific Coast Safety Corporation.
24-29	Cleveland	Dairy and Ice Cream Machinery and Supplies Association.
25-26	Boston	New England Milk Producers Association.
25-27	New Orleans	Southern Logging Association.
25-29	Pinehurst	American Institute of Steel Construction, Inc.



15 H. P. Morse Silent Chain Drive from motor to house pump, Wrigley Building, Chicago. Driver, 850 r.p.m.; Driven, 35 r.p.m.

The Wrigley Building insures its water supply

In selecting equipment for the new Wrigley Building, much was gained through the experience with equipment in the old building. Morse Silent Chain Drives were used on the water pumping system and "although they have been in service constantly there has never been either a breakdown or one cent spent on repairs."

Further the report says, "Two Morse Chains are used on the two 15 H. P. motors that drive the 7 x 8 pumps which serve the

main building—and two on the 7½ H. P. motors that drive the 4 x 8 pumps for the towers. Each chain is subjected to the short heavy pull and sudden start on the average of 4 times an hour or 72 times for the 18 hours a day operated."

Doubtless there are power transmission and speed reduction problems that Morse Silent Chains can solve for you.

Consult the nearest Morse Transmission Engineer.

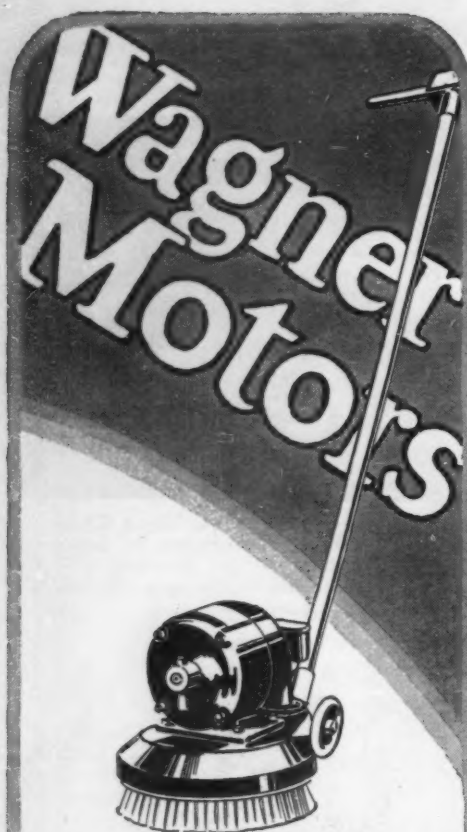
Morse Chain Co., Ithaca, N. Y., U.S.A.

Branches in Principal Cities

Ⓔ1290

MORSE SILENT CHAIN DRIVES

When writing to MORSE CHAIN Co. please mention Nation's Business



MOTORS for Floor Polishers

When a manufacturer uses a Wagner Motor as part of his product he is assured that the motor will operate continuously, noiselessly and to the satisfaction of his purchaser.

Wagner has 24 service stations—factory branches—from which repair parts are distributed to Wagner Dealers located all over the United States. This is the Wagner National Motor Service.

Service, however, is not the only reason for using the Wagner Motor. A full line of Wagner Small Motors is built to the "refrigeration" standard. Wagner Motors are quiet mechanically and are built to close tolerances. They have excellent efficiency and power-factor and show an improved performance. The dimensions of bases make these motors interchangeable with other motors of standard makes.



MOTORS

Single, Polyphase and Fynn-Wechsel Motors
TRANSFORMERS—Power and distribution

FANS—Desk, Wall and Ceiling types

WAGNER ELECTRIC CORPORATION
ST. LOUIS, U. S. A.

7537-2

On the Business Bookshelf

Airports and Airways—Cost, Operation and Maintenance, by Donald Duke. Ronald Press Company, New York, 1927. \$5.

This is another volume of the Ronald Aeronautic Library—the twelfth of the convenient series "for statesmen, economists, and representatives of industrial and commercial organizations whose interests and operations are affected by the new mode of transit."

With the rapid increase of air transportation it almost goes without saying that every up and coming municipality needs a landing field to get its share of the benefits. The author takes the stand that airports should be municipally established. "It is economically as unsound for commercial airlines to purchase, equip and maintain airports as for steamship operators to dredge and equip harbors along our coasts, build locks in navigable canals or deepen inland waterways at their own expense."

Lieut. Duke gives careful instruction on the location, size with allowances for altitude above sea level, construction including drainage, and special runways for heavy planes in wet weather.

Equipment, operation, maintenance, maps, aeronautical bulletins, lighting for airports and airways, aerial regulations, are among the subjects discussed. One part that will interest taxpayers is a list of airports with their costs.

The book will be found of particular value to chambers of commerce or others promoting airports.

Scientific Marketing Management, by Percival White. Harper & Brothers, New York, 1927. \$4.

A comprehensive study of existing conditions in marketing management to serve as a basis for the scientific methods outlined systematically as the result of these studies.

With much ingenuity the author shows the irrational, haphazard and unstable character of many industrial marketing organizations in the United States, leading inevitably to confusion of functions, lack of coordination, wasted effort and neglect of opportunity.

By numerous examples, charts and graphical representations, the very clear language of the text is given visible form while the argument proceeds logically, step by step, to the demonstration of the most efficient methods in Scientific Marketing Management.

Foremanship, by Glenn L. Gardiner. A. W. Shaw Company, Chicago, 1927. \$6.

Foremanship and Supervision, by Frank Cushman. John Wiley & Sons, Inc., New York, 1927.

"Foremanship," of nearly seven hundred pages, is being published also in a six-volume edition which is designed to be more convenient for foremen or other busy readers. The titles of the six volumes give a rough idea of the extent of this survey of foremanship: The Foreman; The Foreman's Job; Duties of Foremen; Developing Foremen; Practical Methods; Industrial Economics.

As an abbreviated example of Mr. Gardiner's lucid treatment, a part of the chapter "Foremanship Development Methods," in Book IV, may be studied:

The faults of the lecture method are that public speakers are probably either poor or not close enough to the subject.

Correspondence courses lack personal touch and sometimes the schools are incapable,

but the written work greatly helps to crystallize the foreman's ideas and a course is the only plan feasible where there are too few foremen in a plant to set up individual development programs.

Talks by company officials of the several departments on functions and relations of foremen to their departments is likewise a mediocre plan. The appearance of the executives lends prestige to the foremen's meetings and gives a personal contact to both executives and foremen. Its faults are that the executives speak in technicalities and often extemporaneously instead of giving much preparation toward speaking in an elementary manner for the foremen. "Because of their standing in the organization it is difficult to exercise any control over the manner in which company officials present their ideas, and this may tend toward a very disconnected program. Furthermore, their presentation of subjects is usually uninteresting. Practical men are not always gifted with ease of expression."

Visits to other plants have a very broadening effect upon the foreman, but they by no means furnish a complete development program.

Group discussions between the foremen bring together combined experiences not to be personally gained by one man in a lifetime.

Frank Cushman deems this method of educating foremen to be worthy of separate treatment in "Foremanship and Supervision."

He presents conference procedure, tells of its methods, the objectives obtainable, and shows the overlapping between the methods of training.

In brief, this book will be useful to the leader of a foremen's conference, as the first will be to those studying foremanship.

RECENT BOOKS RECEIVED

Business Cycles and Business Measurements, by Carl Snyder. The Macmillan Company, New York, 1927. \$6.

China and Foreign Powers—An Historical Review of Their Relations, by Sir Frederick Whyte. Oxford University Press, American Branch, New York, 1927. \$1.00.

Corporation Treasurer's and Controller's Guide, by William H. Crow. 1927 Edition. Prentice-Hall, Inc., New York, 1927. \$15.

Foreign Trade in 1927—Official Report of the Fourteenth National Foreign Trade Convention. O. K. Davis, secretary, National Foreign Trade Council, New York, N. Y., 1927. \$1.50.

Industrial Credits, by Robert Young. Harper & Brothers, New York, 1927. \$5.

Oildom—Its Treasures and Tragedies, by Oscar H. Reinholt. Part Two. David McKay Co., Philadelphia, 1927. \$3. Both parts in one binding, \$4.

Minimum Wage Legislation in Massachusetts. National Industrial Conference Board, Inc., New York, 1927. \$2.50.

The Railroad Labor Board, by H. D. Wolf. University of Chicago Press, Chicago, 1927. \$4.

The Workmen's Compensation Problem in New York State. National Industrial Conference Board, Inc. New York, 1927. \$3.50.

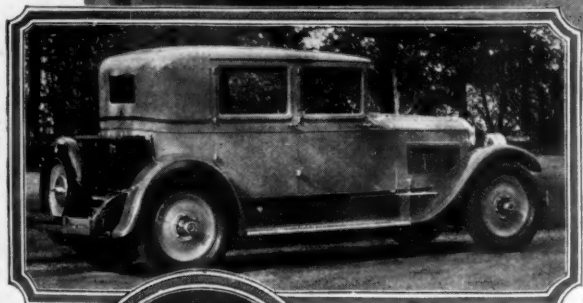
Year Book on Commercial Arbitration in the United States, 1927, prepared by the American Arbitration Association. Oxford University Press, American Branch, New York, 1927.

Avoid the Hazard of the Question Mark

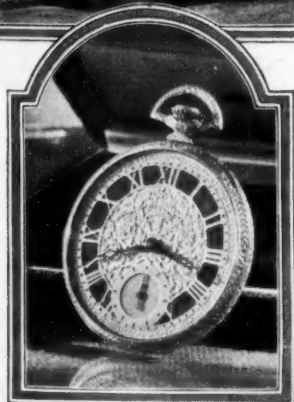


Photographs never fail to catch and hold the interest of the prospective buyer.

© M. A. G.



Automobile salesmen appreciate the selling power of photographs.



Watches and other articles of jewelry are beautifully displayed with photographs.



And realtors rely on photographs to give most convincing selling pictures of their properties.

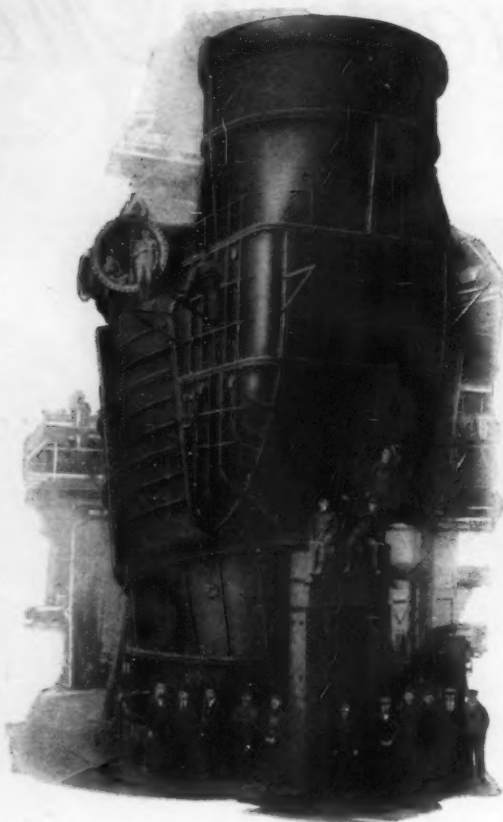
....illustrate with Photographs

Photographs leave nothing unsaid. They tell the story accurately, quickly and clearly. They shield your product from the selling hazard of the question mark better than any other type of advertising art. Properly made and reproduced, Photographs bring to prospects the complete understanding that quickens buying decisions. Use them freely in your advertising—for the easier, faster sales they will bring you!

PHOTOGRAPHS *Tell the Story*

Worthington serves the Nation's Power Plants

The steam condenser in the modern power plant is one of its largest and most important pieces of equipment. The illustration shows the huge 48,000 sq. ft. Worthington Surface Condenser installed at the Columbia Power Station, Cincinnati.



This Worthington Condenser has made a remarkable record in the 11 months since its installation. It has maintained an average pressure of 1.07 inches of mercury, with an average circulating water inlet temperature of 57.2 degrees F.

WORDS THAT MEAN WORTHINGTON

Pioneering
Trustworthiness
Experience
Competency
✓ Efficiency
Conservation
World-Wide

PRODUCTS OF WORTHINGTON

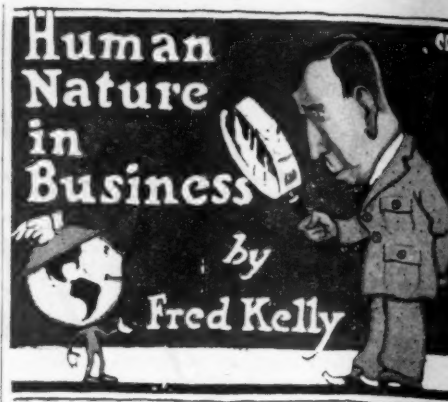
PUMPS
COMPRESSORS
CONDENSERS and
AUXILIARIES
OIL and GAS ENGINES
FEEDWATER HEATERS
WATER and OIL METERS
Literature on Request

WORTHINGTON



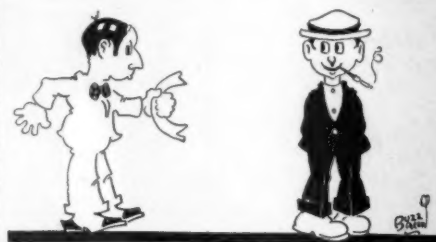
WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
BRANCH OFFICES IN 24 CITIES

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention *Nation's Business*



A HABERDASHER'S clerk tells me that thousands of men who live alone and have nobody to look after their laundry or do mending, find themselves without a collar when they need it most and run to the nearest store to buy one.

"At such a time," comments this clerk, "it is poor salesmanship to try to sell the customer two collars. The man is disgusted



with himself at having to buy even one, when he has at least two dozen in his laundry bag."

This clerk seemed so intelligent when I went in to buy a necktie that I stayed and talked to him about business. He was one haberdasher's clerk who didn't say:

"This is what they're all wearing."

A BIG industrial exposition was about to be held in a western city. Up to noon of the day before the exposition was to open, less than half of the exhibitors' booths were started.

"Don't worry about that," said the manager of the building where the show was to be held. "That's the modern business way of doing things. They'll put off until the last minute, and then be ready on time by a supreme effort."

Sure enough, by the following noon, every piece of heavy machinery, as well as every item of decoration, was properly in place. The men worked all night at jobs that could have been done leisurely a few days sooner.

A WOMAN of my acquaintance conducted a little cafeteria for more than 20 years and throughout that period kept a number of the customers that she had when she started. Her success was partly due to seasoning her food more carefully than is done in most restaurants.

Recently she disposed of her business and took charge of a girls' hotel, thinking that the work would be easier. But she wishes she were back in her restaurant.

"Pleasing girls in a hotel is many times worse than satisfying customers in a restaurant," she says. "Working girls com-

plain about telephone service, always think meals cost too much, object to extra charges for room service at meal time, and, if one girl shares a room with another girl, they are almost certain to fight with each other and have a falling out."

THE general manager of an interurban electric railway that nearly went bankrupt a few years ago, but is now out of the red ink and paying a profit once again, says that motor buses are helping the electric railway business.

"We lost hundreds of regular passengers," he explains, "because they bought automobiles and drove daily over a regular route in their own cars. But you might be surprised at the number of drivers who are afraid to be on a busy highway because of those same buses and turn to the electric lines."

I HAVE observed, on the other hand, that many men like to ride in buses on city streets for a peculiar reason. Since most buses take on only as many passengers as they can seat a man never has to give up his seat to a woman. Maybe he didn't give it up anyhow, but he was uncomfortable feeling that maybe he ought to stand up, make a courtly bow and say: "Do take my seat."

IN CLEVELAND recently I saw men and women scrambling to climb aboard a double-deck bus when a street car at the same corner was only moderately filled. It seemed strange to see people who fought with Tom Johnson for 3-cent fare eager to pay 10 cents when they could have ridden cheaper.

A LAWYER friend, in discussing trust companies as executors of big estates, makes this comment: "Remember that no one ordinarily inherits actual money. Even a multi-millionaire rarely keeps as much as \$10,000 cash in his personal bank account. What one does inherit, then, is not money but contracts between the heir and the various enterprises in which, through stocks and bonds, he has an interest. The author of a will designed to leave his offspring independent has said to the world:

"Under the contract that I'm hereby handing to my sons and daughters, you shall not take anything for yourself until they are provided for. You must work hard enough to make it unnecessary for them to work at all."

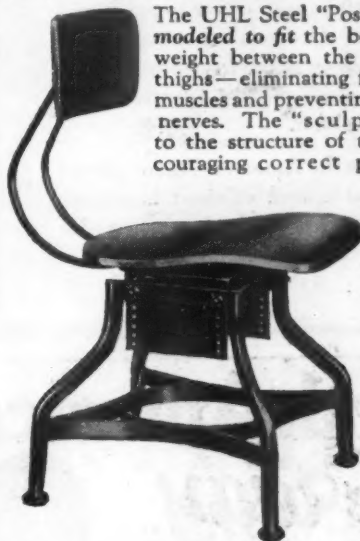
AN EDITORIAL writer in Barron's weekly advances the theory that part of the success of the older models of the Ford car must have been due to the car's inherent ugliness. Undoubtedly, there has



been a widespread notion, since ancient times, that ugliness, like poverty, is more

If Your Body Were Built Like a Jack-Knife —

IF THE human frame were actually "angular," you could rest all day—in perfect comfort—on a straight-backed, flat-seated chair. But the natural contour of the body demands proper support for the back at its weakest point—a seat correctly "sculptured"—and, most important, the proper relation between seat and back.



The UHL Steel "Postur Chair" is scientifically designed and modeled to fit the body naturally. It evenly distributes the weight between the pelvic bones and the thighs—eliminating fatigue—relieving tired muscles and preventing pinched arteries and nerves. The "sculptured" seat conforms to the structure of the body and—by encouraging correct posture—adds to the comfort of employees and insures better work and more of it.



UHL Steel "Postur-Chair"

Not only comfortable, but amazingly durable. Sturdily made of U-shaped channel steel—welded into one solid unit at points of greatest strain—it will stand more abuse and longer years of service than any other chair made. Even severe wear and tear can not make it weave, rack or loosen at the joints.

Scores of great industrial corporations, realizing the vital need for correct posture, are rapidly standardizing on the UHL—the only genuine steel Posture Chair.

Of the same superior construction and durability are UHL Steel Tables, Stands, Desks, Vault Trucks and Steel Furniture for office, shop and school.



UHL Steel "Postur-Chair" was developed in accordance with the specifications of the American Posture League. Although widely imitated, this is the only authorized steel Posture Chair and every one bears this label—your protection against substitution and your guarantee that it is the original UHL Steel "Postur-Chair."

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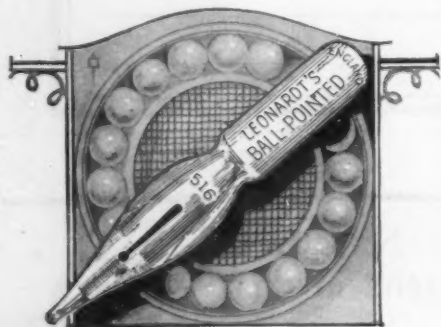
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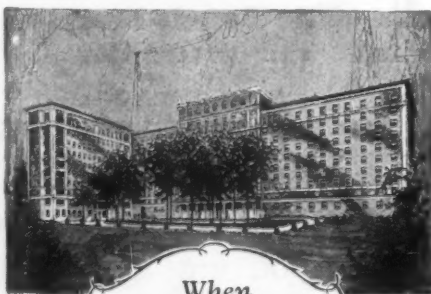
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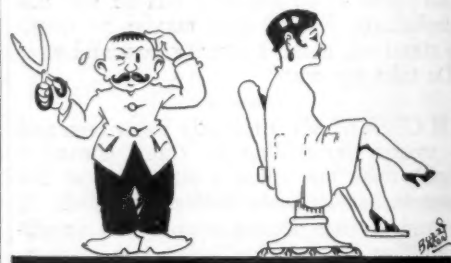
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virtuous than beauty. A homely woman is always less under suspicion than if she were beautiful. In business, beauty is still looked upon as impractical—that is, as something not directly connected with profits. A friend of mine owned a farm and bought fertilizer for it, year after year, trying to increase the fertility of the soil and thus make the place more valuable. But the increased value was only moderate. Then he quit monkeying with ordinary farming and went in for land-scaping. In a short time the beauty of the place was so appealing that city folk seeking country homes paid him about four times as much as he could have received for mere fertile land. Making the place more beautiful was the most practical thing he had ever done.

ALTHOUGH bobbed-haired women are supposed to have been life-savers for barbers in futile competition with safety razors, I find that most barbers do not like women customers.

"A man lets you alone," one barber told me, "but women go into great detail about



just how they want their hair cut. Then, no matter how it's done, it doesn't quite suit them. Moreover, they don't give tips and pay the price charged rather grudgingly."

ABUILDING contractor, who has been in business more than thirty-five years, tells me that one of the noteworthy changes he observes about home-building is the passing of the front porch.

"When I first built homes," he said, "people always wanted the porch where they could see who might be driving or walking by. Today traffic is so thick even in small towns that nobody wants to view it, but to get away from it. Traffic has ceased to be an attraction and become a nuisance. Hence the porch is placed to one side or facing the back yard. Eventually the front porch will become a museum piece."

I HEARD the other day of a hotel that has forced guests to quit carrying off



room keys by fastening a sleigh bell to each key.